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# ***JPRS Report***

## **Soviet Union**

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***KOMMUNIST***

No 8, MAY 1987

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## SOVIET UNION

## KOMMUNIST

No 8, May 1987

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## SOCIAL SCIENCES AND REACHING A QUALITATIVELY NEW STATE IN SOVIET SOCIETY

Moscow KOMMUNIST in Russian No 8, May 87 (signed to press 12 May 87) pp 3-22

[Article by Aleksandr Nikolayevich Yakovlev, candidate member of the CPSU Central Committee Politburo and CPSU Central Committee secretary. Article based on a report submitted at a meeting of the social science section, USSR Academy of Sciences Presidium]

[Text] Starting with the March 1985 CPSU Central Committee Plenum, the party undertook to solve problems unparalleled in terms of novelty, difficulty, scale and responsibility. This is like solving equations with several unknowns. Restructuring is a profound process which is advancing, but in a contradictory and, occasionally, difficult manner. It is hindered by an entire set of obstructing factors, one of which is the insufficient theoretical support for initiated and forthcoming reforms.

The post-April period was noted by an energetic theoretical search in the course of which a cluster of ideas was formulated and introduced into the life of the party and the people, ideas which enriched public opinion both intellectually and emotionally. The party's efforts lead to the development of a new vision of the socialist future and an overall understanding of the objectives and nature of revolutionary change. M.S. Gorbachev's speech to the social scientists set a program for social science research on the basic problems of our movement and its applied aspects. The CPSU Central Committee decree on the journal KOMMUNIST is of equal importance.

The October Revolution and contemporary restructuring, separated by 7 decades, are linked inseparably and in a state of continuity and are one and the same in their main aspects. Restructuring is a time of fundamental changes, of a continuation of the cause of the October Revolution under new historical circumstances. As an aspect of revolutionary truth, after a certain stagnation in social processes, restructuring demanded an objective analysis of the state of affairs in Soviet society, in global developments and in all basic problems in the life of man and mankind.

The CPSU possesses scientifically tested knowledge of the basic features of our age and of a contradictory yet interdependent and largely integral world, an understanding of the optimal ways, means and methods of solving problems of vital importance to the fate of civilization at this crucial stage in world

history. The demands dictated by our time are determined not only by the pragmatic aspects of the present and future situation in the world but also by the new forms assumed by the historical confrontation between the two systems under the conditions of the scientific and technical revolution, linking together internal social and international contradictions of social progress.

The concept and methodology of a new type of political thinking was formulated, based on the study of class and universal dialectics under contemporary conditions, and on the fact that socialism, allied with all revolutionary, progressive and democratic forces, can preserve and increase the humanistic values of civilization and display historical initiatives in the main areas of social progress. Broad problems were raised involving complex dialectical interconnections between the internal progress of socialism and overall global developments.

An ideological and theoretical platform for accelerating the country's socioeconomic development and, on this basis, achieving a qualitatively new condition in the society, has been created in its essential and main features. The kernel of revolutionary was planted in the people's ground precisely then, in April 1985. It grew into a mass struggle for the implementation of the program for the renovation of socialism.

The concept of acceleration is not merely an answer to the question of how to intensify economic growth. It is a search for efficient ways and means so that, in the foreseeable future, we can properly answer the challenge of the time and so that socialist society indeed become the embodiment of everything that is progressive and humane in the world and a model of social efficiency.

Problems related to the quality of development assume priority as the material and spiritual potential of socialism increases. How more expediently to handle the new opportunities and where best to apply them? What quality criteria should be used to determine future developments?

Generally speaking, we found ourselves unprepared to answer such questions practically or theoretically. The search for such answers must lead to the development of a concept for optimal interaction among all areas of activity within the social body. Clearly, this is also the essence of the social efficiency problem. In this context as well acceleration is one of the most difficult maneuvers in building socialism, a maneuver which requires a turn to a strictly scientific social way of thinking. The purpose of acceleration is not to tighten up the economy as a self-seeking purpose. It is not an artificial prescription for society to become more dynamic. The concept of acceleration is the theoretical and practical manifestation of the objective requirements of the contemporary stage in the development of society, aimed at the efficient renovation of socialism on all of its levels--base, superstructure, social sphere, culture and social life as a whole. It also means acquiring a new quality.

The new view on social policy, which concretizes the humanistic tradition of Marxist-Leninist thinking, greatly determines the novelty of the contemporary system of socioeconomic, spiritual and moral priorities in the party's strategy. This renovated system of value coordinates is focused on the true

enhancement of man as the target of socialist progress, and of the human factor, as its decisive force.

Today the interconnection among economics, science, material well-being, human awareness and mass culture has become so profound that any lagging in any of these areas has an immediate impact on others and disturbs the rhythm of common progress. It is only the full and organic combination among its economic, social and spiritual aspects that will influence the qualitative integrity of the new system.

Our concepts on the laws governing the development of the socialist economy and the dialectics of production forces and production relations have become significantly enriched. Problems of perfecting the implementation of the concept of socialist ownership and, in particular, the development of its cooperative forms, the active utilization of the law of value and the mechanisms of commodity-monetary relations and the principles of acceleration of scientific and technical progress, the inexhaustible resources and reserves of which are found in the human factor, have been reformulated.

Restructuring, which is innovative in its spirit, is imbued with the revolutionary wind of sharp change. The revolutionary nature of restructuring is found in the acknowledgment that we have no longer any right to waste time in selecting our strategy and tactics and scientifically substantiating each guideline, task and step. This is demanded by the objectives of the qualitative renovation of society and the conclusions drawn from the experience and lessons of the past.

Restructuring is an act of creative and purposeful construction. Its purpose is to be such not only in economics and politics but also wherever the condition, trends and prospects of spiritual development are affected: culture, education, social sciences, morality, literature and the arts.

The present political and moral atmosphere enables us to gain a sober and honest understanding of the extent and depth to which the role and responsibility of the social sciences under the new conditions have been realized. In applying the lessons of truth given by the 27th Congress, we must speak of absolutely everything openly and do our work as sincerely as possible. As Lenin wrote, "without fooling ourselves, we must have the courage of frankly admitting to what is" ("Poln. Sobr. Soch." [Complete Collected Works], vol 1, p 407).

It is urgently necessary to state most clearly that neither the practical results of the social sciences nor their status in society or the state of science itself could be considered satisfactory from the viewpoint of their consistency with the demand of the time. The situation is alarming because the social sciences have their own obstructing mechanism, which hinders the release of their potential opportunities.

It is very important for our social scientists to regain their reputation by critically and self-critically analyzing their past errors. This will be a healing step. Mildly put, it is not all that frequent that our philosophers, political economists, historians and literary experts have acted as pioneers



and defenders of what is new and progressive. In their time they assisted in discrediting cybernetics and genetics and, subsequently, in proclaiming as almost unscientific the methods of mathematical modeling in the economy and in mocking domestic forecasting. It is clear in retrospect that a great deal of forces were wasted on something which actually turned into the theoretical substantiation of complacency and superficial success but, in fact, meant stagnation in the country's socioeconomic and political development. This is a "legacy" which must be firmly discarded. This must be done thoroughly, so that we may draw lessons for the future, both conceptual and moral.

For the sake of fairness, something else must be pointed out: in addition to processes which have now been socially discredited other, opposite processes developed. Party and civic conscience were actively at work, without which the April Central Committee Plenum and the current political and moral shakeup would have been inconceivable. A search was taking place for ideas, covering a wide-range of problems of economics, management, social life and socialist legality. The ideological and moral potential of future fundamental changes was making its way and increasing gradually. The demand for putting an end to inertia and indifference, political irresponsibility and thoughtless drifting, dogmatism and scholasticism grew in society and among scientists.

This is one more confirmation of the historical base of restructuring and its practical possibility of implementation and the need for closely combining the objective course of restructuring with conceptual and psychological readiness to undertake scientific work on the real problems of socialist building. Actually, today socialism is facing a new stage in its practice and theory. We need an integral, a full interpretation of the past and the future in order to gain a more complete idea of all shades and fine points of our advance and promptly detect within it specific problems and find means of solving them.

#### I.

The main thing is to concentrate the intellectual potential in the social sciences on the solution of the key problems of developing socialism. This must be done on the basis of both positive and negative experience.

First, social scientists have become thoroughly aware of their responsibility for the theoretical interpretation and further development of the strategy and tactics of acceleration, and of the way restructuring is progressing and will advance in the future.

Second, an atmosphere of creative search must be developed in the social sciences; curiosity of the mind must be awakened and scope must be provided for innovative ideas, new views and original suggestions.

Third, revolutionary renovation is impossible without a radical elimination of schematic structures alienated from life, and the rejection of anything which has not been practically confirmed or which was based on a misshaped practice which had objectively become a defense of stagnation and conservatism.

Fourth, reliable organizational ties must be organized between social science and practical work in the interest of restructuring and acceleration and of

the science itself. Otherwise theory becomes frozen, thinking dries out and practical work is doomed to superficial sliding on the surface of vital problems.

Fifth, the work mechanism of scientific collectives must become such as steadily to stimulate democratic relations among scientists and reject any efforts at monopolizing truth.

The criticism addressed of late at the social sciences for their remoteness from social practice, work style and method and moral and psychological climate of scientific activities is just. Social science must not simply reflect the condition of society but also actively to participate in its shaping. The ideology of open and concealed stagnation did not require any accurate knowledge of reality. Anything which did not fit the Procrustean bed of dogmatic thinking or the practice of "universal admiration" was considered--publicly or silently--questionable and suspicious. This was quite clearly expressed at the January CPSU Central Committee Plenum.

The concept of developed socialism was given a circumstantial interpretation, directed toward slow, timid and inconsistent improvements in isolated areas, which sanctified placidity and dulled the awareness of the need for urgent radical change.

Ignoring the socialist principles of cooperation and the attitude toward auxiliary plots and individual labor activity as something alien, blocked significant social potential.

The praise of the unquestionably necessary and most important but merely one of the structural component of the principle of democratic centralism--centralized forms of management--fettered initiative, autonomy and socialist enterprise, breeding departmentalism and bureaucratism, which had become the rudders of the economic mechanism.

The concepts of the "anticommodity" supporters, which sounded like political accusations, became an economic hindrance. It was believed that this was a matter for scientific debates only. In fact, scorn for the law of value dominated theory and practice. Ignoring cost accounting and self-support, and the use of state subsidies of a number of sectors was of poor service to the national economy, with all deriving consequences.

Deprecating interpretations of socialist self-government and systematically frightening people with the "unpredictable" consequences of broadening democracy were harmful.

Lack of broad openness and real control from below, lowered standards of criticism and self-criticism and the gap between words and actions contributed to the growth of negative phenomena in society, such as social passiveness, corruption, irresponsibility, moral slackness, careerism and consumerism.

We cannot successfully promote restructuring without determining the reasons for which such phenomena became possible. These reasons were found both in practical actions and in consciousness.

The country entered the path of building socialism which it followed not simply under exceptionally difficult circumstances. It was necessary, as we proceeded, theoretically to interpret the problems and contradictions of the new society, which was a pioneering society by nature, and to formulate concepts for the future. There neither were nor could there have been any ready-made prescriptions for socialism.

At some stage, however, preference was given not to the creative development of theory but to scholasticism and to the dogmatic interpretation of some concepts of Marxism-Leninism. The January Central Committee Plenum mentioned that some Leninist concepts on socialism had been interpreted simplistically and that their theoretical depth and significance had been emasculated. Shallow concepts of socialism and communism, abstract theorizing and far-fetched prophecies alienated from life and its real processes became widespread. For example, the concept was promoted of increasing uniformity as we advanced toward communism and the disappearance, the withering away of variety. What prevailed in the economy was nothing but state ownership and a single system for its administration. In the social area this meant the elimination of any and all differences. In the political area it meant the invariability of political structures, and so on. To the supporters of this approach progress meant increasing simplification and streamlining of absolutely everything.

The works of Marx, Engels and Lenin are distinguished, above all, by their vision of the real dialectics of life and the complexity and multidimensionality of historical development. Universal experience proves that never, in no area, has human progress been achieved through simplification. Conversely, each consecutive regime, each socioeconomic and political system has turned out to be more complex than its predecessor. There are no reasons to consider socialism and communism an exception in this sense. Nonetheless, the concept of uniformity was promoted with enviable persistence in practical work and in theoretical elaborations. Its influence can be felt to this day, in the approaches to solving a number of problems of economics, in the social sphere and in culture.

Or else let us consider the effect this had of social laws. For example, in looking at capitalism, we see the complexity and alternative nature of its internal processes and mechanisms. However, the moment we turn to socialism, it is as though here we have a virtually total automation, independent of the individual. By themselves production relations become harmonious as production forces develop, with self-regulated planning and proportionality of economic development and social problems are resolved by themselves. The mechanisms of development of social awareness, social justice, national relations and many others are supposed to operate automatically.

These and other concepts were combined with some processes in social life which led to the absolutizing of existing theoretical formulas and identifying transitory features of a specific historical stage with the essential characteristics of socialism as a system, and to canonizing some views and concepts. The result was a stable trend of simplistic attitude toward the role of social science in the process of building socialism.



A vicious circle developed: unhealthy phenomena in practical work led to unhealthy trends in social consciousness and science. In turn, they increasingly hindered the return of theory and practice to the channel of realism and real life with its contradictions.

In other words, the ability to engage in critical self-analysis became gradually lost. Instead of the study of the real, living socialism, preference was given to building far-fetched models. Theory became increasingly tautological. We either rushed ahead, proclaiming the building of communism the immediate task of the day or else, guided essentially by superficial evolutionism, we absolutized the stability of economic, social and other structures, justified stagnation and slowness in the process of socialist change. The demands addressed at social science became strictly circumstantial, for which reason science lost its real function.

These trends became particularly noticeable in the 1970s, when the study of live and developing socialism began to be replaced ever more openly with far-fetched formulas and plans. Furthermore, under the influence of an uncritical attitude toward stagnation, an entire set of influences which misshaped the progress of theoretical thinking developed and ossified.

The result was that we entered the 1980s not only with the serious and now well-known practical omissions and errors but also with the theoretical awareness which largely stood on the level of the 1930s, when our society was at a relatively early stage in its development. This situation objectively hastened the progress of dogmatism, scholasticism and bookishness. Conversely, it hindered the creative work on problems of contemporary socialism. In the same way that enclaves developed, blocked to criticism, the number of areas closed to scientific research increased. The concept arose that only partial evolutionary corrections were admissible, more in practice than in theory. However, it should have been clear to every Marxist that any deadening of revolutionary theory--this greatest of all intellectual capitals of mankind--leads to severe consequences, to stagnation not only in theory but also in the practice of building the new society.

We must now reach a new level in the sober assessment of experience--of errors and accomplishments--without any prejudice. We must display an unprejudiced attitude toward everything. We must be self-critical. We must honestly and openly realize the consequences of this time-serving interpretation of a number of concepts of revolutionary theory which contradicted its very essence; we must mobilize ourselves and the scientific collectives to undertake the revolutionary search of answers to the questions of life. That is what social science must give us today. This is a difficult and even painful process which, however, is unavoidable.

All of us are the product of our time and, sometimes, its prisoners. However, not one of us will be able to restructure his life or interpret theoretically arising problems without getting rid of a number of concepts which may have been accurate for their time but, under the press of new circumstances and the new tasks have lost their former relevance.

Today, we believe, a certain "schizophrenia" exists in social scientists. Understanding the complexity and responsibility of this historical moment is obvious. Perhaps no one better than a scientist can clearly see and soberly assess the situation in the economy and in the social, spiritual and moral areas. We would sin against the truth by saying that the growth of negative trends did not trigger a feeling of concern among many social scientists or that it was ignored. We are well-familiar with social scientists who sharply raised crucial problems although such steps neither contributed to their health nor improved their social status.

Nonetheless, the inertia, the comforting illusion according to which the current condition of the social sciences essentially accurately reflects the current stage in the development of socialism remains strong. Such a "mirror" perception of reality reduces to naught or, in any case, strongly hinders the acknowledgment that negative phenomena and stagnations are consequences of dogmatism, of concepts alienated from life and of inanimate schemes. That is why it is so important to surmount this peculiar personal separation from the current difficulties and not to yield to the temptation of practicing self-forgiveness, and to understand how necessary it is to restore to social science research the Leninist spirit of fearless search for the truth.

Creative Marxism-Leninism always means opening rather than sheltering. "...We keep turning to Vladimir Ilich Lenin and his thoughts and ideas," M.S. Gorbachev said at the January Central Committee Plenum. "This is not merely a sign of tremendous respect for or acknowledgment of Lenin's authority. It is an urgent aspiration to restore the spirit of Leninism under contemporary conditions, and to do so as fully as possible...."

Leninism means classical basic lessons in revolutionary dialectics. "...We must master the unquestionable truth that a Marxist must take into consideration real life and the accurate facts of reality rather than continue to cling to yesterday's theory...." (op cit., vol 31, p 134). Such was V.I. Lenin's credo.

Dogmatism, this sui generis parasitical growth on the live body of revolutionary theory, is the militant antagonist of dialectics. Complacent ignorance and selfish time-serving are grounds for the growth of dogmatism, bookishness and scholasticism.

The dogmatic interpretation of economic laws and categories, of some concepts concerning socialism, socialist democracy, social justice and the pace and prospects of development of a communist civilization set up stagnation zones in the science of society. Hence the main demand or, if you wish, the imperative of the time is to restore the dialectical, the Leninist creative approach to understanding the targets and means of socialist change and to study, painstakingly and thoughtfully, the real contradictions and to reject their vulgar-philistine interpretation. We must proceed not on the basis of predetermined and conveniently reassuring principles concerning the facts of life but from the reality of life, from the true vital processes, leading to conclusions and the formulation of principles and objectives. Such is the path of the true science of society.

New laws of social life can be formulated on the basis of the new realities of life, the new information base. They must be strong thrusts into the unknown and lead to the enrichment of the classical stock of knowledge.

This is a fact. However we, who acknowledge dialectics as the general theory of development and a methodology of revolutionary change, when tested were by no means proven to support new developments in science and practice. Furthermore, we frequently rejected the new unless we found within it an immediate, a literal confirmation of the classical legacy, ignoring the fact that we were thus demanding of the classics what they could not provide. As Lenin said, even 70 Marxes would be unable to predict in detail the future of the new society and all the levels and features of its development.

It was no accident that these words were heard from the rostrum of the 27th Party Congress. Marx, Engels and Lenin solved the problems of their own time. They left us a great legacy of their accomplishments and discoveries, a dialectical-materialistic methodology, and a creative spirit of search for the truth in science. However, any legacy must be used skillfully, and even more so a brilliant legacy such as Marxism-Leninism which is essentially antidogmatic, being created by life and demanding the constant penetration into the secrets of social life. The acquired theoretical and methodological potential and dialectical thinking must be directed toward promoting and stimulating new concepts and approaches.

The initial theoretical task may be briefly formulated as follows: contemporary socialism must learn, above all, about itself. This will not obtain if social science continues to be afraid of touching upon problems which are still not a structural part of political decisions and, in terms of the latter, are still on the level of comments.

There is a story entitled "Levers" written by Aleksandr Yashin. Four communists and kolkhoz members are waiting for the fifth to hold a party meeting. The conversation is informal: they are cursing procedures in the kolkhoz, negligence, the arbitrary behavior of rayon agricultural authorities, the groundlessness of plans issued by their superiors, and so on. But then comes the fifth member--a teacher, concerned with the problem of finding wood for the school. "We shall discuss practical affairs later. Now we must hold the meeting," she is cut off, and the official verbosity begins: "we did not anticipate thus and such and let something else run uncontrolled;" "comrades, we must assume leadership over the masses!;" "the kolkhoz is developing in all areas in an atmosphere of high labor upsurge...."

This is an apt description of the gap not only between words and actions but also between words and words. This situation is quite typical of many social science groups.

Socialism was born as a rejection of capitalist exploitation and bourgeois morality. For this reason, the new society was imagined as something romantically ideal, without vices and contradictions. As to difficulties and infractions, they were reduced to the notorious vestiges. If only everything was that simple! The obviousness of the advantages of socialism triggered the illusion that it would be impermeable to negative trends and to the revival of



petit-bourgeois feelings. The objective laws of socialism were frequently interpreted outside of the context of global developments. Forecasts on the development of the capitalist system, the limits of its viability and its survival possibilities also proved to be quite simplified. All of this must be rejected, which is not all that easy.

The Leninist requirement of an integral, a comprehensive approach to the study of the interaction among the different aspects of social life remains invariably relevant and, in the existing situation, particularly so. It is a question of the approach which would take into consideration the complex interconnection between production forces and production relations, base and superstructure, politics and economics, centralism and democracy, public and private interest, ideology and material living conditions, psychological and moral elements, and so on.

The systematic and comprehensive study of reality organically proceeds from the very nature of Marxism-Leninism as a unified and integral theory. We must proceed on the basis of a systematic, a general philosophical interpretation of reality, armed with contemporary knowledge. Particularly necessary today are breakthroughs in fundamental summations, in developing an integral view on the world in the entirety of its real contradictions and leading trends. We need strictly social--sociological, sociopsychological, and humanitarian studies. Hence the need for a corresponding line of such research.

Socialism sets man as a criterion of social progress and as its highest objective. This does not apply to some kind of idealized person but to the real, the living person of our specific time in his real ties with society and other people and with the material and spiritual areas. Advance toward communism means, above all, perfecting social relations, naturally, on the basis of a corresponding material and spiritual base. The purpose of theoretical awareness is to see and reflect not only the depth of such processes but also the most complex dialectics of interconnections between consciousness and practice and the laws governing the development of awareness itself--both scientific and ordinary.

It is extremely necessary to ensure the further development of the principles of historicism in social science. Many errors could have been avoided had the structure of our society been considered as dynamic and developing rather than frozen, not only in words but in fact.

We must emphasize that it is not a question of the latest circumstantial rewriting of the history of society, the state and the party or economic and social developments. This has already occurred and the results are known. We are discussing something else: the need to see, interpret and analyze what happened, in its entirety and dialectically contradictory nature. We must see the entire set of cause and effect relations in economics, and in the social, political and other areas, as well as between them.

In theoretical work we must not ignore an essential feature such as the nonaxiomatic nature of social knowledge. This is dictated by several circumstances. Society itself--the object of social knowledge--is in a continuous state of motion. It is also related to the ability of the

individual, of classes, groups and entire societies to accumulate, summarize and make use of experience. This ability is the foundation for all conscious human activities. However, it has another aspect as well. The forms of organization of social life change as society becomes more complex and developed and better educated. However, should negative phenomena arise and remain in society for a sufficient length of time, they could develop "their own experience" and trigger trends which, in turn, could change the shape of social relations or of some part of them.

The purpose of restructuring is to update socialism as a whole, qualitatively rather than simply by perfecting some of its aspects, areas and facets. The idea of a new qualitative condition in socialist society leads to an understanding of the problems of the building of a dialectically contradictory process of human activities in which not only the form but the very essence of socialism develops. This was pointed out by V.I. Lenin himself, who noted that "...it is not only transitional, flexible and current and separate phenomena that have conventional facets but the essence of things as well" (op cit., vol 29, p 227).

### III.

Restructuring on this scale inevitably affects the problems of socialist political economy and calls for their consideration in terms of the conditions prevailing at the current stage in the development of public production.

In any known political system or historical stage the contradiction between production forces and their social form--production relations--motivates and advances human sociolabor activities, creates revolutions and accelerates progress. However, instead of undertaking a profound study of this contradiction in socialist society, it was dogmatically asserted that under socialism the main contradiction is between "visible shoots of communism" and "vestiges of capitalism." Classified as "vestiges" was anything which restricted administrative-bureaucratic management methods, such as kolkhoz-cooperative ownership, private garden plots or auxiliary farm, individual labor activity, commodity production, commodity-monetary relations, market, profits, and cost accounting.

V.I. Lenin distinguished between formal and real accomplishments in the development of socialist society. Let us recall his emphasis on the essential difference between formal-legal socialist socialization and actual socialization. In extending this Leninist tradition, we must achieve a really systematic development of the production process, real centralism and real democracy in economic management.

The real extent of planning is determined by the reliability with which we can maintain and control proportionality. Real centralism is determined by the extent to which economic processes are controlled by the economic center. Real democracy in economic management is determined not simply by granting rights to labor collectives but creating the necessary socioeconomic and political prerequisites for their actual exercise.

Clearly, the beginning of the establishment of the hindrance mechanism is related to the same reasons which gradually led (starting with the 1930s) to a certain confusion between the correlation of objective conditions and practical actions in favor of the latter. The extensive development of the economy was, in its time, objectively legitimate and consistent with the tasks of the time. It yielded substantial results. The method itself, however, and the related methods of management, planning, distribution, and so on, objectively became a hindrance to the development of the subsequent and higher level, when priority was given to quality factors and when the need arose for a conversion to intensive economic management methods. Inertia in thinking and practical work, however, turned to be too stubborn and the efforts to surmount it were obviously insufficient. As a result, in recent decades objectively a system of undermining the material foundations for socialism developed--the outlay nature of the economy. The reasons for this should be sought not on the surface or in individual economic errors but in the depth of the social way of life, in the origins of the stagnation.

In the area of the base this reason led to the practical absolutizing of state ownership, equating it with the highest form of ownership--ownership by the whole people--which actually gave primacy to administrative methods and provided greater scope for bureaucratic management.

Bureaucratism needs dogmatism and vice-versa. Bureaucrats and dogmatists can exist only at the expense of society, using to this effect their affiliation with the state apparatus if the latter becomes omnipotent. Hence the aspiration to "statify" absolutely everything and to relate any successes and achievements to administrative management methods as being "the best."

Focusing the attention on abstract considerations of the advantages of the state form of ownership compared to the kolkhoz-cooperative form did not contribute in the least to gaining a true knowledge of the mechanism of economic life. Dogmatism, which constrained reality, literally dragged the cooperative system into the state. Step-by-step the stereotype of attitude toward state ownership was strengthened: what is ours is not mine and is nobody's. Hence difficulties, indifference and irresponsibility, although this was not the only reason for them. However, in our view, it was precisely the cooperative which could now assume functions which do not mandatorily have to be performed by the state and thus contribute to normalizing and to efficient functioning of the socialist market and, together with the state, to strengthening the currency.

In a socialist system whatever forms public ownership may assume, it is only one. It is only reality that can set sensible proportions among its components. The artificial creation of abnormal proportions within national property is a generator of an entire set of contradictions which, depending on circumstances, could be manifested in "softer" terms or be absent altogether.

According to Marx, a change in the foundations of the social system is necessary "in order to convert public production into a single, vast and harmonious system of free cooperated labor..." (K. Marx and F. Engels "Soch." [Works], vol 16, p 199). Lenin wrote that socialism is a "system of civilized



cooperators," that it means cooperation among "the literally entire population," "lasting an entire historical age" (op cit., vol 45, pp 372-373).

No single form disappears before its possibilities have been exhausted. If the family contracting method can double or triple productivity compared with other forms of labor organization, how can we consider it a historically obsolete form whose possibilities have been exhausted within the socialist production structure? If individual labor activity could be useful, why should we erect ideological and practical obstacles to block its development? The only restriction which must be strictly applied is the prevention of exploitation. The actual strengthening of socialism must be considered the main task. It must dominate all efforts and forms of organization of labor and social life. This can be helped by an unprejudiced re-evaluation of the essential features of the complex set of basic economic relations in their totality and dynamics.

One of the gravest contradictions at the present stage in restructuring is the one between the quantity and quality of labor. As in the past, economic practice is oriented toward giving priority to quantity, whereas our time demands the optimal combination of quantitative with qualitative growth indicators. The underestimating of the latter in the past intensifies the already great need of society that the quality aspects be comprehensively given priority at the present stage in our development. The essence of the "quantity strategy" is a production process which is based on scarcity, inflation and outlays. The elimination of the outlay mechanism and replacing it with an essentially new, a cost accounting mechanism, consistent with the nature of developing socialism, is the most important task of restructuring.

From the philosophical viewpoint outlays are a subjective obstacle in the objective conversion of quantity into quality and the priority of the former over the latter; it is, if one wishes, the megatonnage of dogmatism, a failure to understand the dialectical nature of contradictions and their rejection; it means social indifference.

From the economic viewpoint outlays mean minimal end results with maximal intermediary expenditures, a growing contradiction between production forces and production relations, the anarchy of the former and the bureaucratization of the latter, the preservation of scientific and technical backwardness, and the development of stagnation. The diktat exercised by the producer keeps generating outlays which become increasingly distorted. It rejects cost accounting and triggers an attitude toward the consumer not as an interested partner but an annoying fellow-traveler.

From the ideological viewpoint outlays mean the constant aspiration to present wish as reality; they mean pompousness, ostentation, sensationalism and thunderous praise while reducing criticism to a whisper; it means the promotion of dogmas and hindering fresh thinking and creative searches. It means forgetting that under socialism economics cannot be separated from concepts such as morality, honesty and decency in labor, accountability and apportionment of benefits.



Let us consider yet another group of most profound contradictions--contradictions within labor itself. K. Marx states that "society cannot reach a balance as long as it has not begun to orbit around the sun of labor" (K. Marx and F. Engels, op cit., vol 18, pp 551-552). Labor is the only god which our teachers revered. To denigrate and insult labor is sacrilegious. Life cruelly punishes us for this.

Developing socialism does not eliminate the division of labor into abstract and concrete. In the public consciousness and in practical work, however, the postulate was applied that the lack of private ownership and simply the existence of a state plan predetermined the fact that any labor (useful-harmful; impeccable-hack) is directly and socially necessary.

This dogma is objectively one of the catalysts of outlays. All labor is paid equally, thus originating figure-padding, whitewashing and fraud; the national income is distributed uncontrollably and on a criminally organized fashion; labor morality and ethics are distorted and labor standards decline. The principle of payment based on labor is distorted, which undermines labor and social motivation.

At the same time, labor became divided into productive in the material sphere and nonproductive elsewhere. Hence the "residual" principle of investments in the social infrastructure, technocratism and underestimating of the human factor. Hence also the material and moral damage to the situation of physicians, teachers, engineers and scientists, who are most skilled and whose work is most necessary with the scientific and technical revolution. Finally, hence the lowered social status of knowledge, of true professionalism. Are these reasons not sufficient for re-evaluating some concepts?

The outlay method of economic management, which triggers irresponsibility, also weakens the moral content of labor, which cannot fail to affect the attitude toward it on the part of a certain segment of the working class, the peasantry, the intelligentsia and, particularly, the young. We have not developed a system with which to influence it, either by shaming people or affecting their pocketbook. Problems of labor standards and motivations assume a new meaning now, for under the conditions of self-financing, self-support and self-government, labor relation criteria inevitably change.

This is important not only in terms of practical work. There are reasons to assume that it is precisely here, at the most sensitive and crucial point where economic, social, material, spiritual, personal and public factors meet, at this crossroads of vital and under studied problems, that we could also expect the most serious methodological breakthrough in our social sciences, a breakthrough which will become possible if research is truly concentrated on man in the real system of his social relations and ties.

#### IV.

The key feature of the April Plenum was the enhancement of the entire system of political and social institutions, the urgency to democratize all social life and the assertion in the way of thinking and acting of a democratic understanding and perception of the world.

Democracy is the most important or, to be even more specific, the only possible means of the use of socialism as a social system. Marxism does not reduce in the least the socioeconomic nature of socialism simply to the socialization of the means of production. Socialized production becomes truly socialist when the working people themselves actually play the decisive role in managing production and other social affairs and when the collectives themselves solve the vital problems of economic and social development.

Individualism is the beginning and the end of the bourgeois understanding of rights and freedoms, entirely and totally based on relations among economically independent subjects. The rights of the individual-owner in this case are naturally given priority. Bourgeois law equalizes the individuals legally. However, it neither can nor tries to solve the problem of surmounting economic inequality, which is inevitably inherent in capitalism, and the derivatives of which appear in all other forms of inequality--social, political, national, cultural, etc.

Socialism eliminates economic inequality, adding to the liberation of the working people the acknowledgment of all forms of equality under the law and its practical implementation. The social guarantees, political freedoms and juridical rights of the citizen of a socialist society are incomparably broader. They are backed by the real gains of the new system. It is clear, however, that their practical meaning is not something established and frozen once and for all. It stems from the entire set of real historical conditions, both objective and subjective. To socialism man is the highest value not only in general but in extremely specific and individual terms. Such is the meaning of the contemporary stage in the development of socialist democracy and such is today the focal point of the social and cultural policies of the CPSU and the Soviet state.

Democratization is a facet of contemporary life in Soviet society which is triggering the close and interested attention of people throughout the world. Some welcome the course of openness, candor, self-criticism and criticism, considering this the progress of socialism and its more complete humanistic self-realization. Others, who would like to conceive of socialist democracy in the image and similarity of bourgeois democracy, nurture the hope that this society will change. Others again speak of the "lethal nature" of self-government and the "danger" of democratization in general. Their reasons are understandable. They are determined by class origin, extent of understanding of events, and the sincerity of hopes which link the progressive forces throughout the world to the development of the socialist social system.

In Lenin's political dictionary concepts such as "democracy," "self-government" and "live creativity of the masses" are of key significance, particularly in terms of views concerning socialism. V.I. Lenin substantiated convincingly and in detail the importance of democracy. He described its nature and defined its content. The participation of the working people in discussing state laws and plans, the nomination and election of their representatives to the authorities, control from below over their activities, openness and criticism and self-criticism as methods for political management, responsibility and conscious discipline and equality of all citizens under the law are the Leninist ideas reflected in the stipulations of the 27th Congress

and the January Central Committee Plenum. The enhancement of anything which promotes socialism and the opportunity for fully identifying its potential are possible only through democracy, through its improvement and development. Victorious socialism which has not achieved full democracy is impossible, V.I. Lenin said (see op cit., vol 30, p 128).

Restructuring reformulated problems of socialist democracy also in connection with the need for new approaches to management problems. No single problem facing society today can be solved without ensuring the interested, daily and efficient participation of the working people. The stipulation formulated at the 27th Congress on socialist self-government also means developing the Leninist thesis of the historical need for a gradual shift from power for the people to power by the people on all levels of the socialist political system. The party is making an energetic study of this problem.

We must find means and incentives to promote the real participation of the people in the formulation of basic and even current decisions on the scale of the country, the society and the collective. We must identify as accurately as possible the mechanism of action of democracy as a means of implementing and solving arising contradictions on all levels and of all kinds. Extremely needed are theoretical works on the entire range of democratic development and its influence on other areas of life, on man and on shaping the political standards of society and its administrative organizations.

Raising standards in the legal sciences deserves particular attention. This presents a huge block of problems ranging from juridical backing of the economic reform to the need for radical changes in jurisprudence areas which form the foundations of economic, political and social rights and freedoms of Soviet citizens. In other words, theoreticians must formulate dialectically developed organizational, juridical and political methods consistent with the contemporary stage for ensuring increasingly broader democracy.

Relations between the law and current political and economic practices remain rather complex. The aspiration of some managers to avoid the solution of ripe problems and departmental and parochial tendencies have not contributed to increasing the interest in providing a serious scientific study of the matter. The only scientific recommendations which were used were those which could provide a quasiscientific respectability for their decisions, albeit improper, and to justify them legally.

Today things could and should be different. The time has come to understand the real value of juridical forms of social relations and the all-round development and efficient utilization of the humanistic and moral potential of socialist law. Social progress cannot be achieved and the normal functioning of material production and the institutions of political democracy cannot be ensured and efficient management and encouraging the development of the individual cannot be organized without law, legality and justice.

However, the authors of even the latest comprehensive monographs have been unable to surmount a narrow interpretation of the law which is pushing into the background its social and value aspects. Considerations of administrative and managerial expediency overshadow important social aspects of the law, such



as consistency between the needs and the interests of the people and loyalty to the principles of humaneness and justice. As we know, the juridical status of the citizens and their rights and freedoms are rooted in the totality of social relations and the law codifies and ensures that which has developed in real life. However, the belief still exists that the rights of citizens are something like manna from heaven. This proves the lack of understanding of true connection between the individual and society and the law and the state. Or else let us look at socialist enterprise. To what extent is it protected by the law? Hovering over legal documents and instructions is the "presumption of culpability" concerning economic initiative. The law on individual labor activity seems to be the only one so far based on the principle that anything which is not forbidden is allowed. As in the past, however, many people believe that if the law does not mention it it means that it is forbidden.

Basing the law on common sense and giving absolute priority to respect for human dignity are today the most important tasks of legal science and practice. Another equally promising task is the elaboration of the forms of organization of social activities, something like social building.

## V.

Conventionally, we can describe the end of the 20th century as the period of multiple revolutions--social, scientific and technical, cultural, psychological, demographic, ecological, and so on. Combined with the competition and confrontation between the two systems and the growing trend toward interdependence among countries, the dialectical complexity of contemporary global developments appears. This conclusion reached at the 27th Congress faces social scientists with problems of an essentially new nature.

Changes in global developments have been so essential and comprehensive as to require a serious reinterpretation and comprehensive evaluation of all new factors and trends, a significant intensification of the theoretical study of the contemporary world in its entire variety, contradictoriness and integrity. The need to solve the problem of survival awakens in mankind the powers of self-preservation. It creates in the opposite social systems incentives to interact consistent with the imperatives of the nuclear century.

Not so long ago many philosophical and economic studies interpreted the concept of the universal-historical, the generic life of mankind as a kind of high-level abstraction with no practical application in our social division of the world. Under the new circumstances, as we emphasize the essential differences in class nature and point out the historical confrontation between the two socioeconomic systems, we must not ignore the most complex dialectics of their interaction. A dialectical-materialistic vision of the contemporary age will accept neither a rejection of the basic contradictoriness between the current two systems and production methods nor ignoring the essential unity of contemporary mankind and its common interests and values.

The concept of a single and interdependent world is also closely related to the ecological problem. We seem not to have fully realized yet that in terms of global consequences the continuation of the present approaches to the

utilization of nature would be catastrophic. The development of a technical civilization, based on the principles of indiscriminate subordination of nature has considerably undermined the self-reviving potential of natural systems. It is precisely we, Marxists, who must formulate a complete scientific strategy for saving mankind from an ecological catastrophe which, unless the entire global community makes tremendous efforts, could break out, according to some predictions, literally in a few decades.

This is not merely a matter of increasing expenditures on environmental protection. We must also convert to a new level of political and ecological standards. From the political viewpoint, this means peace and cooperation among countries based on a reliable international-legal foundation. Economically, it is a process of converting the global economy to wasteless technology and to the preservation and care of the environment. Socially, it means intensifying the struggle against the old sworn enemies of man--hunger, disease, poverty and ignorance. Philosophically, this means harmonious relations between man and nature, purging the mind and heart of man from all sorts of social evils found in exploiting societies, protecting and developing the true accomplishments of culture and preventing its degradation.

Establishing a security system based on universal human values and large-scale initiatives aimed at creating a nuclear-free world is an essentially new feature in the theory of international relations. We must formulate a broad system of views and the type of political philosophy which would enable the countries to rise above existing contradictions when it becomes a question of the survival of mankind.

Establishing a demilitarized nuclear-free world requires the elimination of the profound reasons for and sources of mistrust, tension and hostility in the contemporary world. Scientists dealing in international affairs must find a way to surmount the traditional confrontational approaches in international relations. It is important to find common guidelines for their development, which would be consistent with interests of all members of the international community. International economic security as well must become a reliable foundation for a world free from violence.

New approaches must be found to solve the problem of cooperation in the humanitarian area. The breath of restructuring and democratization in our socialist home must be felt to the fullest extent outside as well. This offers new opportunities for Soviet international scientists to work on the theoretical development of the problem of the moral and spiritual factors included in a comprehensive system of international security.

The concept of adequacy of military potentials, including sufficiency under the conditions of the total elimination of nuclear weapons, formulated at the 27th CPSU Congress, must be brought to light and given a material substance. No less important is the task of analyzing, together with military specialists, our military doctrine which, in its strategic essence, is based on the policy of preventing a nuclear war.

In other words, it is a question of the further enrichment of Marxist thinking on a qualitatively new level of global development and of steadily updating

and perfecting the scientific outlook. Let us recall Lenin's statement in "Materialism and Empiriocriticism:" "Engels clearly says that 'with any major discovery even in the natural science' (not to mention the history of mankind) 'materialism must inevitably change its form'" (op cit., vol 18, p 265).

## VI.

The tasks which were set by the 27th Congress significantly update the problem of developing the social consciousness, which is an inexhaustible source of social energy. This may be achieved in following two interrelated lines. First, by upgrading the "quality of consciousness," rising to a new level of scientific, educational and general standards, levels of information and outlook. Second, by turning knowledge into conviction and conviction into action. In this area the social sciences play a special part.

Strengthening the public economy, the social infrastructure and socialist democracy and education are a combined problem which requires broad theoretical formulation, purposefulness and competence in practical matters.

Restructuring faces the science of philosophy with major problems. In this area alienation from reality acquired a peculiar methodological, "theoretical substantiation." This trend was clearly manifested in the distorted interpretation and application of the Leninist theory of seeking the truth, from live contemplation to abstract thinking and, from it, to practical action. That part of Lenin's methodological stipulation which called for the need constantly to look at the real object in the course of our theoretical studies was eliminated.

Another trend is noticeable—a sliding toward empiricism and descriptiveness. Philosophers and other social scientists published many works noting observed facts or events without engaging in their theoretical interpretation.

I believe that we must be greatly concerned with the fact that our science is lagging in the comprehensive study of the problems of man and ways of enhancing the human factor. Problems related to man's inner world assume particular importance. It is precisely on this subject that a most active ideological struggle is being fought. Unfortunately, the entire realm of moral-philosophical problems is like a virgin land: the moment a person begins to think about the "eternal" and painful problems of the meaning of life, moral choice and ethical support of his actions, he most frequently does not turn to professional philosophers-ethicists for an answer.

Instead of studying the real structure of society and the dynamics of socioclass and intraclass changes, and the complex and contradictory process of establishing the social homogeneity of Soviet society, ritualistically works on scientific communism, philosophy and sociology chant the thesis of that homogeneousness. Instead of the study of the most complex process of shaping and educating the socialist person we find scholastic discussions on the almost ideal Soviet person. We ask, where is the origin of phenomena of stagnation, unworthy people, degenerates, people contaminated by consumerism and love of objects and spiritually barren; where do careerism, bureaucratism and indifference come from?



There are many gaps also in the development of scientific communism, although discussions on its subject and methods, laws and categories began more than a quarter-of-a-century ago. We should not be amazed by the unfinished nature of such a long debate, for it is of a formal nature, operating within the framework of "pure" consciousness and reduced to speculative interpretations of various categories and of isolated and sometimes arbitrarily formulated viewpoints. As a rule, works on scientific communism are based on secondhand information. The authors consider materials dealing primarily with the development of ideas and concepts rather than real processes.

The situation with sociology remains no less difficult. The professional standard of many sociological studies remains low. Descriptiveness and the simplified interpretation of problems of social development and public opinion remain widespread. We have still not determined the place of sociology within the system of the social sciences.

Retreat from reality is manifested also in the study of national relations. It is precisely in this area, more than anywhere else, that a number of obsolete and dogmatic assessments and inadequate practices have piled up.

Actually, we have not studied the real contradiction which is that as class differences wither away the further development of the overall features of the way of life and the spiritual aspect of the people bring increasingly to the fore differences of a non-class nature--professional, cultural, age, and national-linguistic. All of this must be seriously interpreted and projected. Corrections must be anticipated in political activities and in plans for social development and educational work.

In history a great percentage of scientists are specializing largely in exposing the pseudoscientific concepts of bourgeois authors without engaging in the independent study of sources and formulating scientific ideas and critically reassessing obsolete concepts. Vulgar sociologizing has been revived on a new basis. Under the guise of uprooting petty topics, some historians are suggesting essentially that sociological systems be made to fit "historically" shaped factual examples.

Nor is the situation favorable methodologically. This is manifested essentially in the fact that a number of historians and literary workers have abandoned class evaluations of historical events and individuals. The desire to embellish the reality of pre-revolutionary Russia and the past of other republics consciously or subconsciously suppresses the gravity of class contradictions the development of which led to the three Russian revolutions.

In recent years, sometimes quietly but sometimes loudly we hear the revolution and the Soviet system being criticized for their alleged destructive policy toward national cultures. The idea behind such views is that it is precisely the class-oriented, the socialist approach and proletarian internationalism which were the reason for the "impoverishment" of national cultures. These are political speculations relying on lack of knowledge and ignorance or even the direct result of the fact that demagoguery, which repeats the bourgeois propaganda fables, is not being given argued rebuttal on the part of our scientific critics who must defend historical truth.



The science of party history faces serious problems. Despite the large number of specialists in the history of the CPSU and Soviet society, many most important problems of prime significance have not been researched. Of late criticism of party historians has been intensified because of their sins against the truth. The violation of the principle of historicism, the depersonalization of the historical process and the "blank spots" covering entire periods, as well as schematism and careless presentations are but a few of the just charges leveled against them.

We must reinterpret a number of important and difficult periods of party history extracting from each one of them the necessary lessons and strictly holding on to the principle of historicism and truth. In the specific circumstances of restructuring profound knowledge of the past is an invaluable support of the present and the future.

The problems are many and tremendous. However, how possible is a profound restructuring of the social sciences in a spirit of our time, with an organization of research and the moral atmosphere such as exists in scientific institutions? Today this is one of the most crucial problems.

It is a question, above all, of developing democracy in science and of scientific ethics. Democracy in science is a healing aspect of the civilized, rather than forceful resolution of contradictions. Tolerance, and respect for other viewpoints are not equivalent in the least to losing one's position. They are based on the sense of personal dignity, respect of the same feeling in others, and ability to understand problems and people and, therefore, on true principle-mindedness, which is indivisible from lofty morality.

Openness is the tool with which society controls the state of affairs in all areas of life, including science. If no changes occur here no radical improvements will take place in the nature of the work of scientific institutions. A great deal of something which cannot fail to concern us has piled up. We cannot tolerate the official monopoly on truth as a result of which the final word belongs not to the truth but to an official position. It would be unfair to suspect of this all managers on the different levels of the scientific structures. Nonetheless, the power of official position is widespread. There also are many abuses of official position, be they fictitious coauthorship, cultivation of scientific time-serving among subordinates, reinsurance, condescension, and lack of exigency in relations toward "one's own people" and ostracizing of others, who are deemed inconvenient.

The forms of organization of science themselves must be democratized. We must enhance the role of scientific councils, scientific conferences and discussions; we must revive scientific criticism and subordinate the authority carried by a position to that of the mind.

Scientific and behavioral ethics, however, are particularly important. The situation has developed in such a way that our social scientists seem to have split into two groups. Some work and pose questions. Others, meanwhile, closely watch and wait for the first to make an error or fail, at which point they try to prove that they had known the truth all along.

There also is a category of people who, disagreeing with something, avoid open discussions. They do not support the truth in a scientific debate. However, being firmly convinced that they are right, they write letters to different organizations, demanding that those "guilty of errors" be taken to task, labeling them and leveling insulting charges against them. The attention of the public should be drawn to such people. We must persistently apply the ethics of high scientific and human decency.

Science can develop only in the course of constructive debates, in the clash of opinions. We believe that not only existing forms and procedures but also the content of scientific debates should be critically interpreted. We need debates triggered by the competition among ideas and the desire to defend the truth and new knowledge, rather than discussions in which, conversely, the truth drowns and perishes. In order for scientific debates and discussions to become an efficient component of acceleration we must realize that in raising new questions or answering them no one holds the monopoly on truth.

It would be also useful to abandon the snobbish attitude toward suggestions formulated by nonspecialists. Restructuring brought to life political searches by millions of Soviet people. Their vision of the problem frequently contains truly golden nuggets of truth, freshness and originality of approaches, of an original perception of the world which has always granted mankind unexpected discoveries.

The most crucial problem in the development of the social sciences is their link with life. Today, in Lenin's words, "There has come about precisely the type of historical moment in which theory turns into practice, is given life by practice, and corrected and tested by it..." (op cit., vol 35, p 202). Live work and real returns are both the result and the most important guarantee of democracy, openness and a healthy atmosphere in science itself.

The time has come to include science in the system of nationwide work as a permanent component. We must extensively apply the practice of scientific expertise of technical, economic and social plans and strengthen consultations in the activities of scientific collectives. The time has come to develop extensively the question of setting up consultation centers based on cost accounting in the areas of management, social planning, sociological studies, ecology, and so on. We must broaden the opportunities of the scientific potential of the higher schools in this area.

The system of planning scientific research needs radical restructuring. All plans today are reduced to preparing collective monographs, many of which are not the result of research. They contain neither new information nor new summations, conclusions or forecasts. Many studies are not dictated by social needs. The existing system for scientific planning and accountability is one of extensive accumulation of publications which involves the use of huge creative and material resources.

Publishing must be radically democratized. The need for the revival of scientific ethics, openness and candor in science is extremely urgent, above all in scientific journals. Particularly dangerous in this area are phenomena such as clickishness and reducing the role and significance of editorial

collegiums and councils. To this day most scientific publications have not truly applied the theoretical ideas of the congress in their work. There is a retelling of universally known facts; new authors are being timidly recruited; a fearful attitude toward the publication of sharply contentious works for purposes of debate has been retained. As in the past, the journals are crowded with complimentary reviews written in a benevolent and even panegyric tone.

The course of the April Plenum, the 27th Congress and the resolutions of the January Central Committee Plenum brought to life great hopes and opened new prospects. Society has been put in motion in all areas. The beginning has been laid. There is no retreat.

What if not creative Marxism-Leninism could and should ensure a thrust into the unknown? Who if not the social scientists could and should provide an answer to the complex questions of our time and to the development of socialism? This is the only possible way.

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## LEGAL PROBLEMS OF RESTRUCTURING THE ECONOMIC MECHANISM

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[Article by Vladimir Viktorovich Laptev, corresponding member of the USSR Academy of Sciences]

[Text] The 27th CPSU Congress called for a radical restructuring of the economic mechanism with a view to accelerating socioeconomic development and intensifying public production on the basis of scientific and technical progress. This raises a number of serious legal problems.

The policy of the party and the state is expressed and codified in laws. Socialist law is used as an efficient tool in solving socioeconomic problems. V.I. Lenin pointed out that economic policy "must be strengthened legislatively, to the greatest possible extent, in order to eliminate any possibility of deviating from it" ("Poln. Sobr. Soch." [Complete Collected Works], vol 45, p 244).

### The Economic Mechanism and the Law

The economic mechanism is the sum of economic, organizational and legal structures, ways and means which ensure the efficient functioning of the socialist economy. All of its elements are organically interrelated. That is why the initiated restructuring should encompass both the economic and the other elements of the mechanism. In this case the juridical regulation of economic activities is of major importance.

The resolutions of the 27th Party Congress indicate the need to improve economic legislation and to strengthen the legal aspect of economic relations. These tasks include expanding the rights of the basic production unit, upgrading the autonomy of enterprises and associations, developing full cost accounting in their work and increasing the role of contracts.

Steps aimed at improving the economic mechanism had been taken even before the congress. Now, however, it is a question not of individual improvements but of profound restructuring. This fully applies to the respective legal foundations. Our economic legislation suffers from substantial faults which hinder the utilization of all opportunities offered by legal regulations aimed at radically improving socialist economic management.



Shortcomings of this legislation have been frequently noted in the press. It is cumbersome, consisting of a large number of legal acts passed at different periods in the development of the socialist economy. They are poorly coordinated and, occasionally, even conflicting. The number of legal acts is estimated in the tens of thousands, which makes them practically endless and provides opportunities for violating laws in economic relations.

Economic legislation lacks system. It does not have a single axle in its development. It has no general law such as legal foundations or codes as found in other areas in Soviet legislation. The main stipulations of economic laws have not been formulated in a general manner. This leads to an inflation in the volume of legal documents and endless repetitions of the same concepts in different decrees, frequently with minor nuances.

The absence of a legislative definition of general concepts of economic law explains the fact that they are formulated not only in government decrees but in departmental laws as well. The abundance of departmental instructions complicates the legal regulation of economic relations and, in frequent cases, leads to excessive regulating and petty supervising of enterprises and associations. All of this greatly hinders the restructuring of the economic mechanism and does not contribute to upgrading public production efficiency.

The introduction of new economic management methods is related to the adoption of laws which will formulate a procedure for economic activities under conditions of restructuring and will regulate the work of enterprises and associations on the basis of full cost accounting. Of late large numbers of such documents have been drafted, not always providing for a clear and coordinated regulation of relations in various economic sectors. Decrees are being promulgated on the same problems, containing minor differences, whereas economic relations could be regulated on a consolidated basis, through the publication of combined legal acts.

For example, in August 1986 three legal acts were promulgated on the application of full cost accounting in some industrial sectors, such as instrument making, petroleum refining and petrochemical industry, and chemical and petroleum machine building. They are essentially the same. We believe that it would be more expedient in such cases to formulate a single legal act for all sectors converted to full cost accounting and new economic management conditions, which would reflect the necessary sectorial characteristics.

In some cases we find conflicting formulations even within the same law. Thus, Point 2 of the 1986 Decree on Light Industry stipulates that the enterprises in this sector will conclude contracts for marketing their commodities at wholesale trade fairs and that they are forbidden to include in their plans the production of commodities for which no orders have been placed or contracts concluded. This is an overall ban on producing consumer goods by light industry in the absence of marketing contracts. Point 31 of the same decree, however, stipulates that commodities which have not been sold at trade fairs may be marketed by any commercial enterprise or organization. This approach makes it difficult to implement the progressive idea included in the decree on upgrading the role of economic contracts in production planning.

## Enterprise Rights and Economic Legislation

A radical improvement in legal regulations of economic relations can be achieved only with the promulgation of broad consolidated laws. They must define the legal foundations of economic activities and management under the new conditions. One of them is the Law on the State Enterprise (Association). This law is of utmost significance, for it defines the economic autonomy of the basic production unit--the enterprise and the association. This is a central, a main aspect in the restructuring of the economic mechanism. This law must provide a new solution to questions related to formulating the economic rights of enterprises and associations.

It is a question, above all, of the need to review only the basic rights of enterprises and associations. Furthermore, the latter can engage in any other activities not prohibited by law. Legal science has repeatedly formulated and substantiated suggestions on a new approach in defining the rights of enterprises and associations and rejecting the casuistic system of enumerating their rights, according to which the basic production unit is allowed to do only what is directly permitted by law. This led not to the expansion but the restriction of enterprise and association rights.

Unfortunately, this question is not properly solved even in the draft Law on the State Enterprise (Association) which has been published for purposes of public discussion. It is true that the draft stipulates that an enterprise may make decisions which do not violate legislation in all production and social matters (Point 5, Article 2). However, this could be interpreted also in the sense that the enterprise has the duty to observe socialist laws. The law must openly stipulate that it defines only the basic rights of enterprises and that, furthermore, the enterprises may, in carrying out their assignments, engage in any type of activities not prohibited by law and make decisions on all matters unless they violate existing legislation. In that case the law would truly substantially broaden the rights of enterprises.

Nonetheless, we cannot say that the promulgation of this law will solve all problems related to improving the legal regulation of economic relations. Legal standards are formulated in it only from the positions of the basic production unit. And although the task of broadening the rights of enterprises is the main one today, this is not a way leading to radical improvements in economic legislation. In defining the rights of enterprises (associations) in various areas of economic activities, they are formulated within the framework of the current system of planning, development and utilization of new equipment, material and technical procurements, organization of labor and wages, and so on. The economic management system as a whole cannot be changed by the Law on the State Enterprise (Association). Broadening the rights of the basic production unit under the existing system for planning material and technical procurements and the creation and utilization of new equipment and in other areas clashes with the existing procedure for the organization of respective relations.

Even the application of the principle of granting enterprises and associations the general permission to engage in any activities not prohibited by law cannot become fully effective under these circumstances. This principle is

based on the fact that the enterprise can engage in anything which is not prohibited by law and does not relate to the competence of the superior economic authorities. For the time being, however, the range of competence remains unchanged. Meanwhile, expanding the rights of enterprises means, essentially, restricting the rights of economic management authorities and allowing the basic production units to have jurisdiction over problems which were frequently solved by superior authorities. In addition to the promulgation of the Law on the State Enterprise (Association) we must redefine the legal status of the other units in the economic mechanism. The legal foundations for the new economic mechanism should, in our view, constitute a unified consolidated law which would govern economic relations. It could be presented as a USSR Economic Code, which would formulate the basic stipulations of economic laws and set up within a unified system, on a comprehensive basis, the general procedure which would govern the functioning of the new economic mechanism. Such an economic code would include the basic laws on rights and obligations pertaining not only to enterprises and associations but also to authorities in charge of economic management. It would settle economic relations both horizontally and vertically. A uniform code would streamline economic activities and their management; it would establish means for combining the plan with economic contracts and would stipulate the responsibilities not only of enterprises and associations but also of economic management agencies.

By decision of the social science section of the Academy of Sciences Presidium, a draft economic code was formulated by the USSR Academy of Sciences Institute of the State and Law, together with economists. It was extensively discussed and approved at the joint sessions of the scientific councils of said institute and the USSR Academy of Sciences Institute of Economics, and USSR Academy of Sciences Department of Philosophy and Law and Department of Economics, with the participation of practical workers in the national economy. It defines the general concepts of the legal regulation of economic relations, the legal status of enterprises, associations and authorities in the area of economic management, the property rights of economic authorities, and planning procedures. It can be used to regulate economic contracts and other obligations. It formulates a procedure for the creation and application of the achievements of science and technology, formulation and setting up prices, procurements, marketing, freight haulage, and construction, design and research operations, financing, crediting and accounting as well as regulations on responsibility in economic relations and the defense of economic rights and interests. The draft economic code includes all of the most important aspects of the economic mechanism. It encompasses in a state of organic unity economic relations which develop both in the implementation of economic activities and in their management.

#### Economic Relations and Their Legal Regulation

However, objections have been voiced on the question of adopting an economic code. Their basic motivation is that one cannot regulate with a single legislative act relations dealing with the implementation of economic activities and their management, for such relations are heterogeneous: some of them are commodity-monetary while others are of a non-commodity nature. Consequently, it has been suggested that there should be not a single



comprehensive law but several such laws, such as a law on planning, on management, on economic contracts, and so on. Naturally, their promulgation would help to improve socialist economic management, for it would update obsolete legal rules governing administrative, planning and contractual relations. However, this would not create conditions for streamlining economic legislation as a whole and would not result in a unified system. The problem of coordinating administrative with planning and contractual relations would remain unsolved.

The task formulated now is substantially to improve planning, to increase within it the role of economic contracts and to formulate the plans of enterprises and associations on the basis of orders and contracts with commodity consumers. This would enable us to direct the production process toward the satisfaction of consumer demand and to eliminate the unsuitable practice of fulfilling the plan for its own sake, manufacturing unsalable goods and burdening the trade system with unsalable consumer goods which no one wants. All such problems can be solved only if the plans are truly formulated on the basis of economic contracts. However, in order to ensure a combination of the plan with the contract in their legal aspects we need a uniform legal regulation on planning and contractual relations. Under present circumstances we cannot separately regulate plans and contracts, for it was precisely this that led in the past to the fact that regardless of good intentions, contracts did not become a basis for planning production and economic activities.

Therefore, the plan and the contract must be regulated within the framework of a single law, on the same basis. Relations in the implementation of economic activities and in the management of the national economy are uniform in terms of objectives and principles of legal control. They are part of a single national economic complex and cannot be separated from each other. Relations in managing economic activities are aimed at ensuring the efficient work of enterprises and associations. They are inconceivable without relations needed for the implementation of such activities. The new economic mechanism retains the centralized planned management of the economy, which must be combined with broadening the rights of enterprises and associations. Such combination of economic relations, horizontally and vertically, should be ensured on the basis of a single economic legislation.

Any other approach would prevent us from solving the problem of broadening the rights of enterprises and associations. If the regulation of economic relations horizontally and vertically is not coordinated, the economic management authorities acquire the possibility of voiding the economic independence of the basic production unit through arbitrary administrative acts. Broadening the rights of enterprises and associations only in relations among themselves, without setting up legal guarantees governing their relations with superior economic authorities would not yield the desired results. The efficient regulation of the socialist economy can be ensured only if we adopt an integral approach to the legal regulation of economic relations both horizontally and vertically.

This is particularly important under the conditions of the development of full cost accounting of enterprises and associations. Full cost accounting is

possible only by assigning firm material and financial resources to the basic production unit. Such resources are the property of enterprises or associations and are the economic foundation for economic activities. The property of state enterprises is the property of the whole nation. However, it is firmly assigned to enterprises and managed by them in their current work, thus enabling such enterprises to use and handle such assets. The limits of proprietary rights of the basic production unit are defined legislatively. At the present time they are being expanded. Enterprises and associations are being granted new rights in handling material and financial resources. For example, they were given the right to trade unnecessary material assets. They are now beginning to set up a financial reserve, something which did not exist in the past. The property rights of enterprises and associations must be broadened even further without losing the integrity of governmental socialist ownership.

The question is the following: Do enterprises and associations have property rights only in relations between them or between them and superior authorities? With separate legal regulations of horizontal and vertical relations, the conclusion is inevitable that such relations take place only between enterprises and associations. It is precisely such relations that are considered property relations, while on a vertical line, they are considered administrative or organizational. Correspondingly, if one enterprise violates the rights of another, a demand may be filed for compensation through the arbitration authorities; however, if the property rights of an enterprise are violated by a superior authority no such procedure is allowed. As a result, the property rights of enterprises and associations can be easily violated by the superior authorities which carry no responsibility whatsoever for this fact. According to the logic of the criticized concept, vertical relations are subject to the effect of administrative principles of authority and subordination, for which reason the superior authority can dispose of the assets of the enterprise which it may confiscate and reassign.

Therefore, the separate regulation on relations in managing and exercising economic activities leads to helplessness on the part of enterprises in their relations with superior authorities, which conflicts with the principles of full cost accounting, according to which enterprises should be juridically protected in all their economic relations. Thereby the stipulation contained in Point 3 of Article 9 of the draft law to the effect that losses caused to the enterprise as a result of obeying instructions issued by a superior authority should be compensated by that same authority and could be claimed through the state arbitration authority.

All of this proves that under the conditions of restructuring the economic mechanism our legislation should follow the system of a uniform regulation of economic relations both horizontally and vertically. This is the only approach to the legal regulation of economic relations which would make it possible properly to formulate the legal foundations for the new economic mechanism and ensure public production intensification.

The gap between legal regulation of economic activities and its management is explained by the improper interpretation of administrative and economic methods and leads to the inflated role of administrative methods. This

creates foundations for bureaucratic administration in the national economy. This approach leads to the development of general concepts related to economic management and administrative activities with a predominance of administrative methods which are then applied in economics. However, under the conditions of restructuring the economic mechanism, economic management should be based primarily on economic methods. Such methods must be applied on all levels of socialist economic management, including horizontal and vertical relations. This substantially changes economic management, something which does not fit traditional concepts of administrative law. Such changes can be properly reflected in legal regulations only on the basis of a uniform approach to horizontal and vertical economic relations.

Could this mean subverting centralized planned economic management? Not in the least. All that change are the methods of enterprise and association management, which become more flexible and efficient. Centralized management is retained in full but is exercised through different methods. The Leninist principle of democratic centralism, according to which centralized management of the economy must be combined with the development of the economic independence of enterprises and associations remains inviolable. The shortcoming of the existing system is a shortcut toward centralization and a liking for administrative methods. This has been greatly assisted by improper juridical concepts of legal regulations of economic-management relations and their interpretation as ordinary administrative-legal relations.

However, economic management relations are not administrative but economic-legal. They are encompassed by the norms of economic law which ensure uniform regulation of economic relations horizontally and vertically. Naturally, economic-managerial relations do not blend with economic-contractual relations and relations in the implementation of economic activities are distinguished from relations of economic management. However, the type of relations is the same; these are merely different types of economic relations, regulated on the basis of the uniform foundations of economic laws.

These laws organically cover the entire economic mechanism. They set reciprocal rights, obligations and responsibilities in relations between enterprises and associations as well as relations between the latter and the superior economic authorities. It is only a uniform approach to the legal regulation of economic relations, horizontal and vertical, that will enable us to develop efficient legal foundations for the efficient functioning of the new economic mechanism.

#### Plan and Contract Under the New Economic Management Conditions

The lack of a uniform approach to the legal regulation of economic relations, horizontally and vertically, was one of the reasons for the main shortcomings in planning enterprise and association activities. To this day planning is considered a one-sided process in which the planning authority is the subject and the enterprise under its jurisdiction, the object. All the rights are in the hands of the superior authority and all obligations are in the enterprise. This creates a legal base for the bureaucratization of planning, bureaucratic administration in planning operations and violations of the rights and economic autonomy of enterprises.



We know that enterprise independence in planning depends above all on the plan indicators formulated by superior authorities; if such indicators are numerous, the rights of the enterprises are curtailed; if basic plan indicators are few enterprise rights are increased. The decree on full cost accounting stipulates for many industrial sectors a significant reduction in mandatory plan indicators issued to enterprises and associations.

However, in itself this does not ensure the real rights of the basic production unit. Violations of the stipulated order for planning, committed by the planning authorities themselves and the formulation by superior authorities of nonstipulated indicators are faults in planning. They lead to limiting the economic independence of the basic production unit and although said shortcoming has been realized and repeatedly condemned, particularly of late, it continues to exist.

The reason for this is the imperfection of the legal planning mechanism, based on an administrative concept of planning activities, according to which the superior authorities, which exercise "power" rights, plan economic activities arbitrarily, ignoring the rights of enterprises and associations. It is obvious that the restructuring of the economic mechanism calls for the firm elimination of such phenomena and that full cost accounting does not tolerate arbitrary planning.

The restructuring of the economic mechanism is related to the aspiration to broaden the rights of enterprises and associations in planning not only by limiting the number of plan indicators and ceilings they are issued but also by extensively using economic long-term standards. However, this calls for providing firm guarantees that this planning system will be observed. The rules stipulated in Point 5 of Article 10 of the draft law according to which the list of plan indicators, ceilings and economic standards issued to the enterprises can be determined only by the USSR Council of Ministers is of the greatest importance. We must abandon administrative-bureaucratic concepts on planning activities as some kind of "commands" which enterprises and associations must obey strictly, even if they conflict with the legislation. A new approach must be adopted to understanding the nature of planning activities both by planning authorities and enterprises and associations.

With this kind of approach the enterprises not only assume obligations but also have rights in planning their work. An enterprise be issued only a limited number of plan indicators on the basis of which, with the participation of the labor collective, it formulates and adopts its own plan. If extraneous plan indicators are issued to the enterprise, it should have the right to refuse them. The plan which the enterprise or association has adopted within the range of its prerogatives must be binding to the superior economic authorities which must not have the right to interfere in the economic competence of the basic production unit.

The concept of the need to use the economic contract as a planning tool and as a means of formulating production plans and marketing was repeatedly voiced in the past. It could not be put to practical use, however, due to the gap between the legal regulations governing planning and contractual relations. The result of this approach was that plans were formulated and implemented on



the basis of the principle of you command and I obey, while the contracts, considering the tremendous number of issued indicators and the lack of enterprise rights in their relations with superior authorities, played no role whatsoever in planning. In the new economic mechanism the contractor should become the basis in planning economic activities of enterprises and associations. This is the only way in which shortcomings in planning can be eliminated and the use of material resources for the production of commodities which remain unsold can be excluded.

The unity between the plan and the contract is manifested also in regulating responsibility for the implementation of economic obligations. In this respect significant progress was made by introducing the system of assessing enterprise and association activities on the basis of the implementation of both planning assignments and contractual obligations. Starting with 1987 the enterprises can have maximal amounts of material incentive funds which can be paid to the workers only with 100-percent implementation of contractual obligations. Fines paid by enterprises and associations for violations of contractual obligations are paid out of the material incentive fund, not to exceed 20 percent of the fund. Said rules are based on a uniform approach to planning and contractual relations, which is also the base for the responsibility of enterprises and associations for the results of economic activities.

Nonetheless, the principle of responsibility of economic management authorities has still not been applied. Ministries have at their disposal a financial reserve which can be used to cover the losses of enterprises and associations which arise as a result of plan amendments. However, the superior authority does not have the obligation (but does have the right) to compensate for losses suffered by enterprises and associations as a result of plan amendments. This approach is inconsistent with the new economic management conditions and the development of full cost accounting in enterprise and association activities.

The economic base of enterprise and association activities could be subverted by improper administrative actions in the area of planning without any responsibility for this accruing to the superior authorities.

We already noted the importance of making superior authorities responsible to subordinate enterprises and associations for losses resulting from improper administrative actions. This would be fully consistent with the nature of economic relations on a vertical basis, which would encompass reciprocal rights and obligations. From administrative, such relations are converted into economic-legal and the organizational elements are combined within them with property elements. They come closer to horizontal economic relations although they do not coincide with them entirely.

We believe that under these circumstances we should also give some thought to introducing contracts on a vertical basis, concluded between ministries and enterprises in the course of planning. This is not a question of abandoning mandatory planning, for the planned assignment issued to the enterprise on the basis of a limited number of indicators, remains mandatory. On this basis, however, it would be useful to conclude a contract between the ministry and

the enterprise, which would contemplate the rights and obligations of the parties in ensuring the implementation of the plan and responsibility for the violation of assumed obligations. Such contracts would enable us to apply the principles of collective contracting in relations between enterprises and superior economic authorities.

#### Guaranteeing Economic Rights

Naturally, it is not simply a matter of improving legislation. It is important to ensure the real application of economic laws. In this respect the situation is bad. Many legal regulations are actually violated; the rights of enterprises and associations are frequently violated by superior economic authorities. The task is to set up a legal mechanism which would ensure the real observance of the rights of enterprises and associations.

Such a mechanism could be achieved by strengthening the role of the state arbitration authority in supervising the observance of the legality of planning and management laws. Let us point out that such functions are already part of the work of the state arbitration authority, which could reject demands which are based on laws issued by state administrative authorities but conflict with the legislation, in solving economic disputes. However, such functions are quite narrow and apply only to solving disputes which break out in the conclusion and implementation of economic contracts. However, violations of legality are committed also in cases unrelated to the conclusion or implementation of economic contracts.

In order to avoid violations of legality in economic relations, we must apply the rule according to which if administrative authorities issue regulations which violate the rights of enterprises and associations, the state arbitration authority would consider such acts null and void. This would ensure the firm rights of enterprises and guarantee their economic autonomy.

Expanding the rights of the state arbitration authority and its participation in solving problems which arise in economic relations, both horizontal and vertical, would contribute to the convergence and to ensuring the unity of legal regulations applicable to all economic relations. A uniform rule must be applied not only in regulating such relations but also in solving economic disputes which arise in the course of their implementation.

We must also remember that another shortcoming in the exercise of economic rights is not only the lack of juridical guarantees but also the frequent failure on the part of enterprises and associations to exercise their rights. This very complex situation is explained by the passive attitude displayed by some economic workers as long as administrative methods predominate, the lack of interest shown by labor collectives and their managements in the results of the economic activities and the poor development of democratic forms of production management. In other words, the reasons for such a situation are not juridical. They are explained by the socioeconomic conditions of enterprise and association activities and the inefficiency of the existing economic mechanism.

Here as well the radical restructuring of the economic mechanism, which will lead to generating real interest on the part of labor collectives in using all existing possibilities of improving economic activities, should play the main role in enhancing the exercise of the rights of enterprises and associations. The systematic implementation of full cost accounting, expanding the rights of labor collectives, creating labor collective councils and giving them the right not only to discuss but also to solve problems, and the electivity of enterprise and association managers will all result in a more active exercise of economic rights.

#### Science and the Teaching of Economic Law

At the same time, the legal training of economic managers and other enterprise and association personnel assumes great importance. In frequent cases economic authorities are unaware of all their legal rights. They lack proper legal knowledge, for most economic managers are trained as engineers or economists. Meanwhile, the engineering-technical and economic VUZs are still not teaching economic law but only a general and rather abstract course in Soviet law which does not provide extensive knowledge in the area of laws governing economic relations. We believe that under contemporary conditions there is an obvious need for such VUZs to introduce the mandatory study of economic law so that future workers in the national economy would have suitable training.

We must also improve the training of jurists for work in the national economy. The importance of legal services in the national economy was emphasized in the resolutions of the 27th CPSU Congress. In the field of economics they do not merely see to it that the economic authorities operate in accordance with the law but also that legal means are used in improving economic activities of enterprises and associations and protecting socialist property. Enterprise and association jurists are doing extensive work on the use of contracts in the organization of economic activities. The increased power of economic contracts under contemporary conditions objectively enhances the role of legal work in the national economy.

However, most law schools and law departments of universities offer a course in economic law as an optional subject, as a special course for students who will be working in the national economy. However, a knowledge of economic law is needed also by future workers in the prosecutor's office and other law enforcement authorities.

In order to provide legal support to the restructuring of the economic mechanism, the development of the science of economic law is important. This science, which deals with the theoretical foundations of legal regulation of economic relations, studies the fundamental problems of the theory of economic law and the drafting of proposals aimed at perfecting legal regulations of economic activities and managements.

The science of economic law studies the form of economic relations as closely related to their content. That is why the study of economic-legal activities of enterprises is done by jurists working together with economists. The results of such work are increasingly of an economic-legal nature.

Economic-legal studies must be improved further and, under the contemporary conditions of economic management, become a tool for radically improving regulations governing economic relations.

Today the solution of legal problems greatly determines the success of restructuring the economic mechanism. It is only a radical approach to legal problems, in the course of the restructuring, that can accelerate the implementation of the stipulations of the 27th Party Congress and ensure production intensification. Surmounting a passive attitude and the lag in solving such problems is the most important task of juridical science and practice and an urgent demand of our time. All economic-legal means must be directed toward ensuring the restructuring of the economic mechanism.

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## ACTIVE MEANS OF RENOVATION

Moscow KOMMUNIST in Russian No 8, May 87 (signed to press 12 May 87) pp 34-37

[Article by Aleksandr Grigoryevich Karachunov, head of a Komsomol youth brigade, machine shop No 2, ChTZ imeni V.I. Lenin Production Association, Chelyabinsk]

[Text] [Editorial note] Efficient Tool of Renovation

The draft CPSU Central Committee "Main Directions in Restructuring the System of Political and Economic Training of the Working People" was published on 15 April. Following are some responses received by the editors in the course of the discussion of this document, the purpose of which is to provide Marxist-Leninist education the features needed under contemporary conditions.

The close study of the CPSU Central Committee draft on restructuring political and economic training made us consider the practices of our brigade and our personal experience. Many features were seen in a new light. What do I mean by this? Today a great deal is being said and written about the acceleration of scientific and technical progress. Occasionally, however, this is understood only as the appearance of new and more advanced equipment, automation and robots. Someone must design, develop and apply this. Meanwhile, what shall we, workers, be doing? In our section, which is engaged in the production of powerful tractors, the current 5-year plan calls for applying a set of highly productive equipment, such as new processing centers, flexible computerized automated system, and others. We thought about it and decided that the new equipment must be handled by already trained cadres, so that the training of specialists can anticipate the new equipment. The socialist obligations adopted by the brigade stipulated that during the 5-year period all members of the collective will become involved in various types of training—courses for working youth, night school and correspondence departments of technical schools and institutes, courses offering training in second and related skills, courses in progressive labor methods and enrollment in the economic training system.

This initiative, entitled "Mastering Knowledge in Order to Master New Equipment," was noticed. At the beginning of 1986 it was approved by the party obkom buro and the secretariat of the AUCCTU and was widely promoted in the oblast. Under the conditions of the comprehensive program for technical

retooling of the association between 1986 and 1990, in our tractor manufacturing association this initiative was supported by 579 brigades totaling more than 12,000 men.

At the same time, life, the practice of restructuring persistently demand of us today a high degree of competence not only in implementing production obligations at our work places but also in problems of efficient economic management on the enterprise level. Here as well we cannot overestimate the role and significance of the economic training of the contemporary worker. Only such a training can accurately help us to solve the practical problems of production intensification. Unfortunately, although a high number of people are involved in economic training, the results are most frequently minor or none. What kind of efficiency of economic training could one speak of if during last school year no more than 700 out of more than 12,000 students were given practical assignments, even fewer submitted suggestions, and only 120 of them were implemented! As the draft under discussion accurately notes, training is "alienated from life. It is cumbersome and excessively regulated. Training with words is by no means always related to training with actions...." The time has come to standardize, to reduce to a sensible denominator all forms of training at the enterprise which, given the present weak organization, only hinder each other. I am not the only one to think so. The idea of combining mass economic with professional training is universally approved.

Training should be on the level of the highest possible contemporary requirements. What do I mean by this? What initial principle should be applied today? First, the people must become familiar with the nature of the life and the tasks solved by the individual collective. What did we teach until recently? The main question was what kind and how many courses to be set up. Meanwhile, practical activities include a number of economic problems which we simply poorly understand, for which reason we think and act in stereotypes. I was pleased to note that many of the necessary courses are included in the document under discussion, and are scheduled for the immediate future. Let me add to them the urgent need to study problems of labor norming, price setting and developing a contemporary way of economic thinking.

Second, training is meaningful only if it gives the individual the knowledge and skills needed in his future activities. It is time for the organizers of training on all levels to understand that they are dealing with rational people who try to obtain the necessary information and skills. In this connection I must express my energetic support of the new logic of training. We must begin by instructing the people not about yesterday but about today and our explanations must be such that everyone would consider himself the center of the changes which are taking place, understand contradictions and seek and suggest answers.

Third, we must develop a system of practical interaction among economic managers, propagandists and students. Frankly speaking, these aspects of training are quite frequently not coordinated. Some economic managers consider suggestions by students as creating nothing but additional troubles and even burdens. If production and economic training is taken over by economic managers many as yet unsolved problems will disappear and the

strictness needed in developing a system of accountability, analysis and application of suggestions made by students, as suggested in the draft, will be unquestionably justified. At this point I would like to make the following suggestion: in the third part of the document, which calls for the consideration of training as a structural component of the plans for the socioeconomic development of labor collectives, the effectiveness of socialist economic management training courses to be included among the technical and economic indicators of the subunits.

Furthermore, why not issue today a kind of "social instructions:" specific assignments which the propagandists could carry out with the help and active participation of the students. I suggest that in the list of comprehensive curriculums, we add the following in paragraph 8 of the third section: implementation of "social orders" with the clarification that they could apply to the individual course as well as to a number of courses offered by the subdivision; they must result in specific suggestions submitted by students for the solution of specific socioeconomic problems.

In the last school year courses were based on the principle of "we work together and we learn together." The production brigade was the base of the concept. This approach offers a number of advantages: the interests of the students do not diverge, for they are jointly engaged in solving the same problems; the courses include party and non-party people, cadre workers and youngsters, which favorably affects the moral and psychological climate and education; finally, the elimination of separations among shops also eliminates the cumbersome nature of a structure which is difficult to control. Furthermore, this allows us to make use of the experience, knowledge and reputation of the shop manager or economist, who works as a propagandist. The fact that this principle is currently codified in the CPSU Central Committee draft, as well as the fact that the production and economic training of cadres becomes the most important criterion in their certification, rating, rate promotions, and so on, cause no objection. The prestige of the training process can only grow as a result of this. Under such circumstances the words "on the principle of voluntary participation" could be added to the words "established on the basis of the collectives of brigades, shops, livestock farms or workers practicing the same profession," in the fifth paragraph.

It is a positive fact that according to the draft the basic trends in the restructuring of political and economic training will continue to be conceived in terms of the extensive utilization of efficient forms of mass production propaganda tested by practical experience, which would involve quality-work circles. It has become customary that at 1530 hours, every Monday, when a new brigade takes over, the brigade meets for its regular training. Here the workers act both as students and teachers. Most frequently the tone of the training is set by S. Krikunov, A. Kozlov, A. Klyshnikov, A. Mayorov and G. Plotnikov. If difficult problems arise we invite a specialist to attend. The training program is flexible and varied, which is what attracts the workers the most. It calls for the study of electronics, the theory of cutting, new technologies, organization of labor of production and progressive experience.



If anyone among us comes up with a suggestion on improving equipment or technology, it is considered on the spot.

In the past lectures and seminars had become just about the only possible forms of training. This is hardly proper. For example, we have realized that it is better to acquire knowledge collectively, in the course of which lively exchanges of opinions occur, and every participant in the discussion makes his contribution to the general amount of knowledge and skills. High-quality groups provide a significant opportunity for the development of worker initiative, as we have realized.

This approach becomes even more relevant under the conditions of a mass conversion to brigade forms of labor organization and wages. The independence and responsibility of the people for end results increase noticeably. In this case knowledge is absolutely necessary! It is not for nothing that brigade cost accounting is described as a course in economic training.

I fully support the idea of the extensive application of contemporary training methods. It is high time to adopt as our standard the study of specific situations, practical assignments, business games, the collective search for reserves, practical science seminars, and so on. In our view, Sections 4 and 5 of the project include a great deal of new and sensible features. Frankly speaking, I do not even conceive of the possibility that everything planned will be accomplished 100 percent. Why? Let us consider the example of Minselkhoz mash: the ministry planned for our association the building of a plant-VIUZ with a training combine. However, it was not built in the past 5 years and we do not know whether it will be built during this 5-year period. Without a firm training-production base today we get nowhere.

There is another "however." Many problems related to the organization of economic life are based on the specific situation of the enterprise. If the situation is bad, if the enterprise has not solved its specific problems, the benefits of such training will be low. The more questions which the propagandist is unable to answer accumulate, the less he will be trusted and the lower the interest in his classes will be. One such grave problem in our enterprise is production rhythm. We are being let down by our suppliers. Meanwhile, starting with this year, the association has been applying the new economic management conditions and the state inspection system. Starting with next January, it will convert to self-financing. Unfortunately, under these circumstances we do not always have the internal possibility of changing things for the better.

Let me reemphasize that the level of training must be consistent today with the strictest requirements. In terms of economic and technical on-the-job training we do not need the elimination of illiteracy or the old minimum but a truly contemporary technical and general economic training which would develop an initiative-minded and creatively thinking worker.

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## A PARTY MATTER IS A CREATIVE MATTER

Moscow KOMMUNIST in Russian No 8, May 87 (signed to press 12 May 87) pp 37-40

[Article by Regina Boleslavovna Ventsel, secretary of the Belorussian CP Baranovichskiy Gorkom]

[Text] The publication of the draft law on the restructuring of political and economic training and its extensive discussion is an extremely important and timely step. I must point out that the study of the draft, which has begun in our primary party organizations, indicate that the ideological aktiv and the students welcomed the document with a great deal of interest and that its significant positive potential has been noticed virtually everywhere.

However, speaking frankly, in our view the draft does not definitively indicate the specific ways which would ensure the restructuring of political and economic training. Understandably, the text of the draft of the basic directions of the forthcoming major project should not read like an instruction in which all details are given. Nonetheless, we would like to see in this document a substantially greater number of formulations which would indicate the real experience acquired by the party organizations and the thoughts of party members on the ways of restructuring political and economic training.

Our city's party committee has developed many quite efficient means of party management. The situation in this area is regularly considered by the party gorkom buro, and at meetings of the method council and the council on economic training. The fact that members of the party gorkom and buro, and personnel of all departments of the party apparatus and of soviet, trade union and Komsomol agencies systematically attend classes upgrades the responsibility of the propagandists. The practice which has been established is to supervise not only the first and the last classes of the school year but all training within the system, give regular talks to the people and study the problems which excite them and the situation in their collectives. This year senior personnel of the gorkom and the soviet and public authorities have visited more than 300 classes offering political and economic training.

The selection and placement of propaganda cadres is an important element in the party guidance of this sector of ideological-political education of the working people. The city party training system has 120 propagandists, all of

them with higher training and graduates of the Marxism-Leninism University. We try systematically to improve the qualitative structure of the propagandists through economic training; 577 of the 691 propagandists within this system have higher training. We consider our primary task for all propagandists in the economic training system to be graduates of the department of propaganda skills of the Marxism-Leninism University.

Seminars sponsored by the party gorkom, information conferences and consultations, methodical sponsorship by experienced propagandists over young ones and organizing the work of basic courses have proved their usefulness in working with propagandists. In our view, the base courses deserve particular attention. At the present time they are offered in all areas of training and act as method centers for propaganda activities.

Such are the characteristic features of our practical work. Along with positive elements, however, this work also suffers from major shortcomings, which are mentioned in the draft document under discussion. The most important is the alienation of the training system from life and its cumbersome and unnecessarily regulated nature. Abstract instruction and scholasticism are typical faults. People mindlessly take notes of elementary truth without relating them in the least to reality. Numerous such examples could be cited. Let us consider a recent one: about 500 students--workers and engineering and technical personnel--are attending production intensification courses at the commercial equipment machine building plant in Baranovichi. Last January, however, the enterprise converted to state inspection. It turned out that both training and practical experience were like parallel lines which never crossed. The collective was unable to meet its first quarterly assignment and a large number of defective goods were identified at all production stages.

What specific suggestions come to mind in the study of this document? We consider accurate the idea in Section III on combining mass economic with professional training and making it part of the state system for upgrading cadre skills and retraining. As to the various forms of training of the working people directly at enterprises, establishments and organizations, the periodicity of such training should be refined.

We believe that during the 5-year period every person should attend courses or seminars for political or economic training no less than twice; the rest of the time should be spent in self-education under the supervision of the party or trade union organization. The continuity of education in organized forms of training lowers the interest of the students and leads to a loss of desire to acquire political and economic knowledge. That is why we believe that setting a sensible period of training in this case is very important.

As party committee secretary, I would like to express some views concerning Section VI which deals with perfecting the party's guidance of the training system for the working people. For example, it has been suggested that the first secretaries of party committees assume personal responsibility for theoretical training and for the ideological and moral tempering of cadres. However, any type of party committee work requires, above all, proper organization. Who should be the organizer? It would be expedient to expand

or refine the concept of the participation of secretaries and party committee departments in organizing political and economic training.

Furthermore, we must establish personal responsibility within primary party organizations. We believe that in addition to the secretary, responsibility for the ideological and political training of the working people should be assumed by economic managers who are party members and by the sectorial trade unions. Therefore, we must add to the suggestion that "the primary party organizations are the main link in the efforts to upgrade the efficiency and quality of political economic training" the words "and the labor collectives."

A great deal of attention has been paid to the problems of work with propagandists. Indeed, in party leadership training is a main feature. In the thesis "enhances the quality of training of propagandists at 2-week courses in political education houses and institutes for upgrading skills...." the stipulation of 2-week courses seems exceptionally restraining. For example, in the practical work of the Brest political education house, some 1-week courses have also proved to be useful. What matters is not the number of days but the quality of the training. That is why the words "2-week" should be deleted from the text, which would make it possible to determine locally the expediency and duration of such courses.

In our view, the self-training of propagandists, for which ideological activists frequently have no time, is of essential importance. In this connection, the paragraph which discusses the system of propagandists' training, should be expanded to read as follows: "if necessary, the propaganda cadres should be allowed to take 1 working day with pay per month for self-training in course of the school year."

At the present time the aspiration to keep full-time personnel at Marxism-Leninism universities forces us to maintain a certain number of students. In pursuit of quantity we lower the prestige of the higher form of political education and lose the opportunity of controlling the practical use made of graduates of the University of Marxism-Leninism. It would be expedient, therefore, without reducing the faculties of Marxism-Leninism universities, to revise the standards concerning the specific number of trainees to be enrolled. This would enable us truly "to improve the selection of students and strictly supervise their training and subsequent utilization," as the draft reads.

Finally, voluntary political education offices have become widespread in organizing the management of political and economic training. Currently the party organizations in our city have nine such offices which are making noticeable contributions to improving the training not only of propagandists but also of activists engaged in mass political work. It would be adequate to add to the suggestion that "party committees must improve the management of houses and offices for political education" the words "including voluntary offices. A regulation on voluntary political education offices must be formulated."

I am confident that improving the party's guidance of political and economic work will develop the creativity and initiative of party organizations and propaganda cadres in the ideological and political education of the working people, as formulated within the plan for restructuring political and economic training.

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#### IMPORTANT FACTOR IN THE NEW WAY OF THINKING

Moscow KOMMUNIST in Russian No 8, May 87 (signed to press 12 May 87) pp 40-42

[Article by Valeriy Alekseyevich Bosenko, professor, Kiev State University, doctor of philosophical sciences]

[Text] The draft has found the proper words to describe the nature of the necessary restructuring of political and economic training: "complete renovation." No less. This is not a question of further additions or repairs (even major) but of "resmelting," of totally changing the entire system as a whole and the entire obsolete method practiced in political education.

A large number of problems must be discussed and solved. Let me touch upon one which is of basic strategic significance and is bound to hold a leading position in political education. For some reason, however, it has not been included in the document under discussion: dialectics.

We know that today the party sets great hope on the new style of thinking. Actually, this new style could become a powerful booster of acceleration and restructuring. At the same time, however, the plan also calls for restructuring the method itself for teaching how to think, for the current method is totally inefficient.

"The new way of thinking which everyone must master is dialectical," M.S. Gorbachev emphasized at the All-Union Conference of Heads of Departments of Social Sciences. As the largest of organizations, the political training system could assume a considerable share of the work on developing such a way of thinking.

The novelty of the situation is that practical work today must deal with the type of phenomena and tasks for which traditional empirical methods are helpless. It must also be understood that the old way of thinking (ordinary, basic, developed spontaneously on the foundations of the simplest forms of the labor of the partial worker in the reproduction of the external forms and relations among objects) has exhausted its possibilities and has limited (reduced) the range of its competence. The efficient solution of different problems requires the use of dialectics and of its method for identifying the nature of one or another item or phenomenon and developing thinking and knowledge through contradictions. It is precisely this principle that must

become the base of VUZ curriculums and methods for teaching the social sciences. The same should apply to the work of seminars within the political training system.

So far, in the area of understanding contradictions, what we mostly do is collect dialectical-seeming images and situations, which clearly prove the incompatibility or clash of opposites, "dialectical imitations," i.e., ordinary dialectics which replaces the nature of contradictions with dialectical-seeming expressions of the "on the one hand and on the other hand" variety.

Without converting theory into a manual for action, and without converting theoretical concepts to practical results in the activities of every Soviet person, political training becomes simple instruction. Incidentally (or, actually, not incidentally at all), such a shortcoming exists today, and the criticism of it in the draft, as well as emphasizing the need for efficient training, are entirely pertinent. As to efficiency, I would include in the text Lenin's convincing statement. Emphasizing that Marxist doctrine should be considered a "manual for action," Lenin cautioned us that if we ignore this "we are making Marxism one-sided, distorted and dead. We take out of it its living soul, we undermine its basic theoretical foundation--dialectics and the theory of the comprehensive and very contradictory historical development; we undermine its ties with specific practical tasks of our age, which may change at each new turn in history" ("Poln. Sobr. Soch." [Complete Collected Works], vol 20, p 84).

Now as to the major charge levied in the draft at managing workers, which is that they are performing their control functions in the political training of cadres poorly. At this point we must pay attention to the education of these comrades. Constant theoretical improvement is exceptionally important and responsible. Their theoretical training should be continuing, not in the quiet of their offices, alone, but in working circles and seminars, together with the workers to whom they must set an example in terms of attendance and profound study. Their attendance must not be simply supervisory or ostentatious but must involve actual steady work (training) alongside their party or work comrades, as equals. So-called independent work based on an individual plan (even if it indeed takes place), as practical experience confirms, is ineffective. The draft basic directions of restructuring of political and economic training should include a stipulation which would mandate all managers of enterprises and party organizations steadily to improve their knowledge at seminars.

In the political training system we must rely not on control but on interest. So far no control has ever developed any kind of outlook. It is precisely interest that must be created, developed, shaped and steadily supported. Interest and interest only is an indicator of the successful work of the political training system and its sensible organization. In this respect, in our view, the assertion included in Part 6 of the draft, which stipulates that "a real change in political and economic training can take place only if every party member has creatively mastered theory..." is not entirely accurate. It is precisely the opposite that must prevail. Every party member will creatively master theory only if a change has been made in political training.

On the basis of the fundamental principles of dialectical materialism, it is not society that is a sum of individuals (creative or not) but, conversely, it is man, with his creative or noncreative potential, who is a manifestation of the sum of social relations. Creativity must be developed, and that can be accomplished only by voluntary means. If every individual can master theory by himself, and master it creatively at that, why would he need a political training system?

It is very important to develop an interest in and taste for reading and for the thorough study of the works of the Marxist classics. As the document states, "In studying the real processes which take place in the country and throughout the world, the members of the CPSU must rely on the theoretical legacy of Marx, Engels and Lenin.... Everyone must profoundly study V.I. Lenin's works...." From whom could we learn dialectics if not from those who developed it as a doctrine? Their works must be read in full, not in bits, or pages recommended for seminar purposes. The study of such truncated works would not tell us what the authors wanted us to know. It would be as though the only reason for their work was to "answer" questions asked in curriculums. It would be no exaggeration to say that our situation is such that one could graduate from an evening university or even a full-time philosophy department without ever reading from beginning to end a single work of the classics. Could we hope that with such prepared treatment knowledge could become a method, a means of obtaining new knowledge and transforming reality? Naturally, the answer is no.

Understandably, the understanding of classical works is difficult but not impossible. Let us remember that Lenin described quite complex works written by Engels, such as "Anti-Duhring" and "Ludwig Feuerbach" as handbooks for any conscientious worker. Yes, precisely, conscientious. That is why the draft stipulates that the "corps of propagandists must be reinforced by broadly educated people with a taste for theory...." Obviously, at this point we should add "and decisively get rid of those who lack such qualities," so that we would not end up by replacing original thought with talk about the "importance of original thinking."

Another aspect of this document should not be ignored. It stipulates that the purpose of political training is "to contribute to the fact that, on the basis of the profound mastery of Marxist-Leninist doctrine, the working people consciously participate in the formulation of party policy...." I see here at least two difficulties. First, how specifically to set up the mechanism in motion, so that ideas to make their way from the masses and from individuals upwards, and to integrate them in party policy? Second, how to see to it that such recommendations are highly competent and have been formulated from the positions "and on the basis of the profound mastery of Marxist-Leninist theory?" Everyone knows what is bad and intuitively feels how not to do things. But what happens to "how to do things" and how to do "good?" There are plenty of recommendations but good recommendations, particularly in terms of theory, are in short supply.

Finally, the stipulation on the political training system should promote Lenin's idea to the effect that the entire matter of education, upbringing and learning should be concentrated on developing communist morality. It is not a

question of teaching a course of ethics, rules of behavior, and so on, but precisely of the fact that any form of education must be the education of a communist. All types of training have the task of teaching communism, of shaping communists. This applies to an even greater extent to the political education system. "To learn communism" must be the slogan, the main trend in the work of the political education system (that is what N.K. Krupskaya, the first chairman of the Main Political Education Administration, believed). This must be included in the text which discusses the basic areas of restructuring of political training.

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#### LETTERS TO THE EDITORS

Moscow KOMMUNIST in Russian No 8, May 87 (signed to press 12 May 87) p 43

[Text] A. Yershova, deputy head, political education house, Tajik Communist Party Central Committee, Dushanbe:

Section IV of the draft under discussion, which mentions improvements in training and scientific-methodical work, notes that the content, organization and structure of Marxist-Leninist education will require the restructuring of training and scientific-pedagogical work. It suggests that the training process be based on the problem approach, on the dialogue, comparison among different viewpoints, debates and other active forms of collective discussion.

Unquestionably, the suggested method for training offers tremendous advantages compared with lectures, talks or stories. However, this will necessitate to revise the textbook on the method for party training, which was published in 1978, within a short time (preferably for the 1987/1988 school year).

Problems of general and separate methods should include individual work by the propagandist and a method for practical training, study of specific situations and business games. I believe that it would be expedient prior to the start of the new school year to publish for each proposed course, for purposes of discussion, the method materials which would describe the nature of the contemporary approaches to organizing the training process. Experiments conducted in some party organizations indicate that it is possible and necessary to "turn upside-down" the traditional structure of the training process, which should be structured according to the practical work-talk-lecture method.

The content, the nature of political self-education is ascribed great importance in the discussed draft. Naturally, we must take much more into consideration and use the achievements of the science of education. However, we must always bear in mind the specific nature of the party educational system and of students attending courses and seminars. Unfortunately, the very definition of political self-education in method publications dealing with the activities of propagandists proceed essentially from the concepts used in pedagogy, without adequate critical interpretation. In particular, the emphasis is on total independence of the trainee and on work without the immediate assistance of the propagandist.

It is hardly necessary to emphasize this, the more so since in the immediate future, I believe, the role of the propagandist in the development of the political self-education of the party members must increase rather than decrease. As of now, many party organizations are already formulating and successfully solving the problem of supplying all comrades engaged in political self-education on the basis of individual plans with skilled method consultants. In this connection, it is necessary to write and publish a training-method aid on the method to be applied in independent work.

V. Rozanov, doctor of physical and mathematical sciences, deputy party committee secretary, USSR Academy of Sciences Physics Institute imeni P.N. Lebedev, and O. Tumanova, head of the institute's party office, Moscow:

The CPSU Central Committee draft strictly regulates the number and variety of training courses. This regulation conflicts with the long-term nature of this document, which calls for a consideration of reality in its entire "specific variety, comprehensiveness, contradictoriness and constant motion." The list clearly ignores a number of topics which are relevant today, not to mention the need for corrections to be made as time goes on.

In our view, it would be necessary also to extend the list of forms of training and include in them philosophical (methodological) seminars. This form is extensively applied in the institutions of the USSR Academy of Sciences in upgrading the ideological and political standards of highly skilled scientific cadres and is consistent with one of the important stipulations of the draft, which is "decisively to improve practical returns from training." The discussion of philosophical and methodological problems in the development of the science which is within the professional interests of the students not only contributes to the creative mastery of the ideas of Marxism-Leninism but is also of major scientific-production and practical significance. Seminars allow us to solve problems related to substantiation of research possibilities and choice of topics faster and more efficiently, and determining the correlation between basic and applied science and the ways of application of the most promising among them.

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## THE STEREOTYPE OF EXPECTATION

Moscow KOMMUNIST in Russian No 8, May 87 (signed to press May 87) pp 44-55

[Article by Yevgeniy Aleksandrovich Temchin, publicist]

[Text] The program for socioeconomic change, earmarked at the April 1985 CPSU Central Committee Plenum and adopted at the 27th Party Congress, which was widely approved by society, has entered the implementation stage. A new economic mechanism is being created and economic management levers are being enacted. Criteria such as quality of output and earned ruble are acquiring their true meaning and value. The long expected process of renovation and restructuring of our life and of making revolutionary changes in all of its aspects and rejection of customary dogmas, has begun. The time of discussions is past and the time for taking decisive action has come. However, such actions must be well planned and include far-reaching strategic objectives. Under such most complex circumstances, the level of our self-awareness and degree of preparedness to act daringly and, at the same time, cautiously, so that the creative principle may prevail in all our actions, is of tremendous importance.

The work which lies ahead is difficult. It demands of everyone energy, knowledge and skill. However, there is more. It also demands the interpretation of accomplishments and starting the new stage in social life not in a state of vacuum. In this connection, I would like to draw the attention of the readers to a relatively small sector of our tremendous national economy which, on a national scale, holds a rather modest position, for what took place there in the past and is currently taking place has its analogs in other areas. Errors must be known and we must learn from them in order not to repeat them elsewhere.

Therefore, dear reader, let us visit Karelia.

### Development Tactics

The practical development of this area was undertaken in the first postwar years. The European part of the country, which had greatly suffered from the fascist invasion, urgently needed construction materials. Cities and villages had to be rebuilt urgently; we needed ties for railroads and props for shafts and mines. We needed lumber, a great deal of lumber. But where could we find

it faster and cheaper? Karelia is conveniently located, with good transportation facilities and its forests are essentially ripe and have stood too long and the time to log them had come.

By the turn of the century, Professor G.F. Morozov, one of the founders of dendrology, wrote: "Dendrology and progressive practical experience have never considered the predominance of ripe and old trees a symptom of prosperity.... Progressive forestry tries to eliminate the predominance of ripe and old timber as soon as this becomes economically possible."

In short, all that was needed for undertaking extensive timber production in this area was available.

Any kind of development begins with a design or, more accurately, with giving designers an assignment. Leningrad's Giprolestrans Institute was given such an assignment: find a way to develop Karelian reserves rapidly with the lowest possible capital outlays. The institute hastily undertook to plan the layout of timber trucking roads, narrow gauge railroad tracks, settlements, sawing mills, warehouses, timber floating sections, etc. Everything within the project was focused on the single objective of procuring the timber faster and, after grading it, ship it out of the republic where it was urgently needed. Soon afterwards echelons loaded with timber started coming out of Karelia and, without any particular transportation outlays, hundreds of spruce and pine logs started floating down rivers. At that time deciduous timber was almost totally ignored, and used only as firewood.

Whatever the primary specialization of any area may be, the logic of its development is always the same. If the area includes raw materials and there is raw material waste, a processing industry must be developed. This is economically expedient and that is what happened in Karelia.

Toward the end of the 1960s, when extraction began slowly but steadily to decline, the republic faced for the first time the problem of scarcity of raw materials. The young processing industry, which was gathering strength, became excessively gluttonous. This particularly applied to two giants--the Kondopoga and Segezha cellulose-paper combines. The former demanded nothing but spruce; the latter allowed other species but no more than 10 percent of deciduous timber. Such were the technological requirements.

Any new paper mill makes directors of timber farms and basic raw material procurers shudder. The point is that the main timber procurement enterprise in the autonomous republic--the Karellesprom All-Union Timber-Industrial Association--was under the jurisdiction of one ministry while the cellulose-paper combines were under the jurisdiction of another. Scarcity of paper made the ministry develop at a faster pace the capacity of its enterprises regardless of the possibilities of Karellesprom which, in turn, had no control over the raw material base, for it was in the hands of a third ministry--the Ministry of Timber, Pulp and Paper, and Wood Processing Industry, which assigned felling areas based most frequently on its own departmental interests.



In my visits to Karelia at that time and meetings with local comrades, I frequently overheard their discussions on the fact that tragic errors had been made in the development of the timber resources of the republic and in the very formulation of the tasks related to such development, that these errors will eventually have to be corrected and that this will cost a great deal to the state, for correcting errors is always much costlier than their prevention.

Everything that this postwar project involved was based on short-term developments--the felling of the timber, roads and housing. The term considered was 20 or at best 30 years of life.

It was then that I heard for the first time about the need to set up a timber industrial complex in Karelia, which would include all enterprises dealing with the matter. A single entity should have handled planting, reclamation, extraction and processing. This was the only way to manage efficiently. However, this was nothing but talk within a small circle of specialists and apparently never went beyond Petrozavodsk. Someone named Medvedev at the ministry was praised for taking up the project energetically and eventually setting up the complex in the Prikarpatye area. It was being said that he had been supported by the Ivano-Frankov Obkom and the Ukrainian Communist Party Central Committee. The complex was now gathering strength, the forests which had been thinned out as a result of immoderate cutting were now being covered with young timber, new production facilities for timber processing had been set up and so was a system of so-called nonexhausting timber utilization, with year-round enterprises, which meant steady jobs and no cadre turnover as in Karelia.

At a somewhat later date I met Nikolay Akimovich Medvedev. At that time he was chief of a main administration at the Minlesprom, and his reputation in the ministry was that of someone quite influential. I asked him what will happen to Karelia in the future?

According to my data, ever since timber extraction had been initiated on a wide scale in the area, the law of nonexhaustive timber utilization was being barbarically violated: more timber was being logged than grew, the stocks were threatened with exhaustion, for reforestation was in no way balanced with extraction and with the possibilities of the processing industry. Therefore, the consequences of all of this could be quite sad.

"Yes, such is precisely the situation," Nikolay Akimovich said, after patiently hearing me out. "We know that quite well. The same was the case in the Prikarpatye area and the same situation prevails in other areas, not only in Karelia."

"But in the Prikarpatye everything is as it should be! Why not do the same in Karelia?"

"The opponents are very strong," he thoughtfully answered. "I hope that the Prikarpatye experience will influence the Karelian situation. Eventually, there will be a complex there too... Life will extract its price, for

according to the scientists, the time is not so distant when it will become necessary to ship timber to Karelia."

This conversation took place 10 years ago.

### The Legacy

We see the gaping windows and holes in the roofs of houses in abandoned settlements. The forest has vanished here, and so have the people. The narrow-gauge tracks along which timber was hauled in the past are covered with young growth. The swamps, those beautiful cranberry and cloudberry covered swamps, the lungs of the earth and the benefactors of life here are crisscrossed with reclamation ditches. Since no forest grew here, canals were dug thoughtlessly regardless of whether or not something could grow. There was a plan to fulfill. All that is left is scars, here and there filled with dirty muddy water and, here and there, dry weedy shrubs. In the spring floods, these ditches take to the numerous lakes, rivers and streams all sorts of dirt and poison, killing the whitefish and the carp, used to fresh water. Naturally, this is not the only reason for the loss of local water sources.

Here and there forest settlements remain, virtually all of them made of wood, little huts built hastily and for temporary use. Currently endless repairs are taking place in such settlements although it would be probably simpler and less expensive to build new housing. The rivers are now being cleaned from several layers of sunken logs lining up the bottom. The swollen logs are being pulled ashore with tractors and most of them are immediately discarded. The cost of such cleanup is high, in the hundreds of thousands of rubles. Timber floating was cheap. However, it would be unfair to say that the legacy of those years is exclusively bad.

Cellulose-paper and other enterprises are working at capacity. They were solidly built, made of bricks, concrete and glass, such as to last a century. Equally well built is all related to such enterprises: housing, polyclinics, schools, kindergartens, and culture palaces and homes... All of this was built not for temporary use. Such plans were based on the long service life of the enterprises.

A great deal of forests remain in Karelia. All that was felled was those easy to reach. In 1953, when intensive lumbering began, reserves of mature timber were assessed at 765 million cubic meters; the last census, in 1983, indicated that the reserves totaled 420 million. Therefore, if today's pace of logging is kept, there will be work for more than 40 years in the future. Meanwhile, new trees will grow up. In short, the situation does not appear hopeless....

But if estimated reserves are still substantial, why were villages and roads abandoned? Why is it that other estimates, which were made at the beginning of the 1980s, showed that of 27 lumber farms only 13 had secured raw materials until the end of the century, while the remainder would be able to subsist for not more than 7 to 10 years, and some of them even less? Why is it that the output of Karellesprom is continuing to decline? In the 1960s, when both labor conditions were much worse and the equipment less convenient and productive, more than 19 million cubic meters were harvested; the figure

dropped to 14 million during the 9th 5-Year Plan, 12 during the 10th and no more than 10 million in the 11th. Why is it that even the most optimistic computations indicate that by the end of the century it would be considered a success if 7 million cubic meters can be harvested? Which set of figures is to be believed? Both are accurate.

There is sufficient mature timber for the work to continue calmly and confidently for the foreseeable future. However, we must begin by solving a number of difficult problems which will require certain efforts and money.

The entire point is that the mature timber is inaccessible. There are no roads, settlements, garages and repair workshops. What kind of logging is possible without them? But why not build them on time? Why instead of advancing toward such long-range stocks the Karellesprom timber farms are wiping off what is left of the forests on their territory while association managers have been steadily begging the ministry to lower their procurement volumes because of diminished Karelian timber? Such requests were backed by computations. Why did all this happen?

There is no mystery here. The point is that Karellesprom had no control over the stock. It was under the control of the RSFSR Minleskhoz. It was the ministry that determined every year who would be logging and where. Logging in Karelia is the work of some 15 organizations in addition to the main logger--Karellesprom. The foresters themselves had their own plans. It is true that the stipulations for its implementation called for sanitary logging and care for the trees.

The Lumber Industry Association is very rich in foresters, money and equipment and abundant manpower. It is a powerful industrial organization. A rather peculiar practice of interaction has developed between these two subdivisions of the national economy. Every year the foresters would assign to the lumbermen cutting areas. They could go there and lay the roads, but only after the foresters would complete the maintenance cutting.

The lumber farms would lay roads to those areas and the foresters would first do their maintenance cutting. After taking all they want under the guise of clearing the forest, they would let the loggers in. But by then the forest has been thinned and the best lumber carried out. "What have they left us?!" the loggers would say indignantly. "How can we fulfill the plan?" "We shall give you other logging areas".... and so on. The loggers moved from one place to another, not knowing exactly where they will be logging next year or the year after that... Under such circumstances what kind of planning or timely construction could take place in this area?

#### Obstructions

Today a great deal is being said and written about restructuring. A variety of broad meanings are invested in the word "restructuring," for the process applies to absolutely all aspects of our life: economic, social and moral. The program, which was adopted at the highest party forum, set for society the historical task of restructuring and renovation. At the same time, it provided an essential assessment of the negative phenomena of the past, which



had hindered our progress. The complex process of reconstruction was initiated.

However, as was repeatedly noted in party documents, this positive process is not proceeding smoothly. It is encountering obstacles of organizational-technical and psychological nature. The former are usually the consequence of the latter. It is difficult, it is very difficult to restructure human mentality. Sometimes it is not possible at all. Old stereotypes weigh heavily.

On the eve of the new year 1986 I received a telephone call from N.R. Gilt, director of KarNIILP--the Karelian Scientific Research Timber Industry Institute--an old acquaintance of mine, who was ringing me up from Petrozavodsk.

"Done!" he said. "The association is beginning. Lumber farms are being assigned to Karellesprom."

"All of them?"

"You want everything at once. So far, fifteen."

"What are you so pleased about?"

"The fact that finally the ice has broken and that Minleskhoz is surrendering its positions. The Prionezhskoye farm is also being assigned to us. Now we can develop a model of recoverable timber use...."

Nonetheless, I was pleased with the news. This affair had been dragging for 10 years or perhaps even longer and, to a certain extent, I had become involved in it, for I had written about this scandalous case of nongovernmental attitude toward this project, the essence of which was the following.

Two farms were working on the same territory, largely doing the same type of work but under the jurisdiction of different departments and greatly hindering each other's work. The first was under the jurisdiction of Karellesprom and the second under the RSFSR Minleskhoz.

What started it all was that the workers in both farms, realizing the entire senselessness of this type of coexistence and the extreme economic inexpediency, discussed the situation at a party meeting and asked the CPSU raykom for help. The raykom supported them and, in turn, turned to the CPSU obkom. The CPSU obkom and the Council of Ministers of the autonomous republic engaged in a lengthy and, as was subsequently made clear, unsuccessful struggle with the RSFSR Minleskhoz for one of these farms, suggesting that it be transferred to Karellesprom.

I became acquainted with the development of this struggle during one of its final stages, when Karellesprom had transferred its own lumber farm to KarNIILP as an experimental base for the development of a technology for selective cutting, something which had never been properly done before. Even



though it obtained this farm, the institute was unable seriously to carry out this project, for the timber surrounding it was under the management of that same farm which the ministry was unwilling to surrender. Let us point out that both forest farms brought no profit either to the Karellesprom Association or to the RSFSR Minleskhov. The reasons for the ministry's resistance was that surrendering even a single farms set a dangerous precedent. This could eventually spread throughout Karelia or, perhaps, even beyond it.... What would then the ministry be managing?

This was the real underlying reason. Many people were aware of this but awareness led to no action whatsoever. There were reasons for their inaction, which I shall discuss later. For the time being, I shall point out that I was quite puzzled by the fact that Karellesprom had been given only 15 lumber farms. If a decision had been made to set up a timber complex, it should cover the entire Karelian territory. Meanwhile, the ministry retained under its jurisdiction 21 farms, i.e., the majority. What kind of complex could this be?

I knew that V.S. Stepanov, first secretary of the CPSU obkom, who had been elected shortly before the April 1985 CPSU Central Committee Plenum, was very energetic and persistent in attaining his goals. I also knew that he was a firm supporter of the organization of a complex and that he had repeatedly gone to Moscow to promote this idea. Nothing had happened until April 1985, and I was convinced that nothing could happen. I knew this from personal experience. Several years previously I had written about the situation in Karelia for one of the big journals. I was told that it could not be published, for such an article could be misunderstood. Thus and such a comrade was aware of the situation and was opposed to the complex. A relative of his was the head of a forestry department and there I was, suggesting that a subdivision of this department be merged with the lumbermen. My references to the views of specialists were ignored.

This comrade is no longer member of the higher party authority. His name has already been forgotten and his relative is now retired. But that was not the main thing. The main thing was that prohibitions regarding experimentation in all areas of our life had been lifted and, conversely, experiments were being comprehensively encouraged. Who was the opponent at this point? Who was obstructing the matter now? And why was it that Karellesprom had been given the farms located in the northern part of the republic, where timber extraction was particularly poor, for which reason making improvements would be particularly difficult?

I went to Petrozavodsk.

V.S. Stepanov was not in town. He had gone to Moscow, again on matters of the association. I met with V.S. Posnov, obkom secretary.

"What is going on, Viktor Sergeyevich? This very idea is being discredited!"

"Yes," he noted. "But we are not giving up. The way Vladimir Sevastyanovich has formulated the problem is the following: not only all lumber farms and cellulose-paper industry enterprises but also all organizations related to

forestry--procurements and marketing--should be reassigned to Karellesprom. This is the only way to balance and make consistent manpower with raw material resources, production capacities and capital investments. However, the opposition is strong and is being manifested in a variety of manners."

He told me the following:

After the decision of transferring the 15 lumber farms came from Moscow, the minister of forests of the Karelian ASSR, with the full agreement of the RSFSR Minleskhoz, intended to frustrate the very idea. How? He decided to set up an inspectorate which would investigate whether the loggers from those farms were not misbehaving, violating regulations or taking more than allowed. According to the minister, this inspectorate was to number 70 people.

Naturally, such a service is needed, V.S. Posnov explained. It had existed ever since the time of the sovnarkhozes, when something similar to a timber complex had been contemplated. However, it had 12 inspectors who were in charge of this project for the entire republic. And, if you can imagine this, they managed.

"Has such an inspectorate been set up now?"

"We shall be setting it up. But not with 70 people! Some 15 people would suffice. The fact itself is disgraceful. We are engaged in restructuring the economic mechanism and everything is concentrated on the efficient use of manpower and material resources and this is what we get here. We intend to prove that the lumber farms were improperly selected and that this would damage both the forests and the timber. In short, an error was made in the selection. This is a terrible display of departmental interests...."

Six months later another 12 farms were transferred under Karellesprom jurisdiction. V.S. Stepanov turned out to be a persistent man. However, not everything was accomplished. The Karelian complex was not given the procurement and marketing services. The transfer was opposed by Gossnab. This was a new opponent. Furthermore, the cellulose-paper enterprises remained under Minlesbumprom jurisdiction. This did not seem detrimental, for Karellesprom is under the same ministry. However, not everything is that simple. Although there is only one ministry, there are different main administrations and, as in the past, it is Moscow that coordinates their work. Now the Karelian CPSU Obkom had to fight on several fronts. As to the first enemy, the RSFSR Minleskhoz, even it has not been entirely defeated. The ministry has surrendered 27 farms but has kept 9 and is desperately fighting to keep them although, frankly, the situation is now paradoxical. There still is a Minleskhoz in the autonomous republic with a personnel almost as numerous as in the past although the volume of work has diminished greatly.

This is restructuring for you.

#### The Start

In the past, Igor Nikolayevich Sankin had plenty of work, as it were. Now, after Karellesprom assumed jurisdiction over everything related to the

protection of the forests, reforestation, care, reclamation and timber chemistry and many other matters with which he, as chief of the timber industry association, had never had to deal extensively in the past, he had more than enough. Add the sawmills to this. In the past he was concerned only with timber extraction.

Two new subdivisions were set up within Karellesprom: one in charge of forest management and the other of the operation of the sawmills. The chief of the association acquired two new deputies: Yuriy Alekseyevich Ryabinin and Anatoliy Ivanovich Shemelin. I had met the latter several years ago, when he was chief engineer of a large sawmill and furniture manufacturing combine. He had a good reputation: clear thinking, knowledgeable, a quick learner. At that time he was a post-graduate student by correspondence. Now we met again and, naturally, my first question was how he liked his new job?

"We are restructuring," he answered. "It is tough. I have dropped my dissertation. By temperament I am a production worker!"

"Has something been accomplished?"

"Something has. We fulfilled our plan for the first semester."

It turned out that during the first 6 months after the enterprises were transferred to Karellesprom, compared with the same period of the preceding year, timber output increased by more than 8 percent and exports by 11.9 percent. These were good indicators.

"How was this accomplished?"

"To begin with, we reapportioned the raw material base and assigned proper loads to the enterprises. Second, the possibility to maneuver rapidly appeared. This was impossible in the past and Moscow had to decide everything. Precious time was being lost and current problems had to wait while matters were being coordinated...."

Now Shemelin is able to handle everything well. The work of the foresters is off to a good start. Yu.A. Ryabinin, association deputy chief for forestry, told me that in 1986 the farms within the association were able to complete their reforestation two weeks ahead of schedule. The lumber farms assigned equipment and people to help the foresters. Generally speaking, there were many problems. Regulations had to be coordinated and a technology for selective cutting had to be developed. Proper equipment was needed. For the time being, neither the technology is adequate nor is there such equipment. Yet such logging could yield a great deal of good lumber.

Many years ago, N.A. Medvedev had spoken of such logging. "No one wants to deal seriously with the problem. There is still a great deal of timber which is being cut unselectively. This is simpler and more profitable." "You are the ministry, can't you do something?" "Orders will not help. Reality, the circumstances will..."



The circumstances have now arrived.

"What is the situation with selective logging?" I asked Ryabinin.

"We are considering the problem..."

"What about KarNIIILP? They seem to have done something about it!"

"All they have are experimental models which require a great deal more work."

This is accurate. For the time being, all the machinery needed to mechanize the processes of selective cutting consists of prototypes which are being tested in small plots, and slowly improved. Things are moving slowly, inadmissibly slowly. But how to speed them up if all the institute has is five old metal cutting machine tools, several joiner's benches and some 20 workers? The same number of people are employed at the laboratory which designs such machinery. One could say that the whole project is running on sheer enthusiasm. Developing a set of machinery is no simple matter!

"Will you establish experimental services and hire designers?"

"We are not dealing extensively with this as yet. We are thinking."

It is strange that no thinking had been done previously. For nearly one year the institute has worked under the Karellesprom system. Within that time everything could have been considered and plans for the future made.

Actually, this is not the only strange thing.

For example, when the second batch of lumber farms were transferred to his association, Igor Nikolayevich Sankin took the managers of his enterprises to Olonets where lumber industry operations were considered better than elsewhere. Participants in that trip told me that what they saw in Olonets became a revelation to many directors. They could not even imagine that Karelia had such splendid nurseries, as good as anywhere else in the world and that all forestry work there was strictly consistent with scientific recommendations. They were totally unaware of all this until they were taken there and had seen it. Is this not strange? They were not far from the place and they all had transportation and all of them knew that they would have to deal with timber management, yet not a single one of them was curious enough.

Petty matter? No. It may have been considered petty in the past but we can no longer consider it such.

At a somewhat later date I visited a lumber farm well familiar to me, which had developed into a complex. I asked the director, whom I also knew well, what had been accomplished to upgrade work efficiency, what specific steps had been planned and what steps had been carried out? "We are still thinking," he answered. "We are thinking. Now my deputy is a forester. We have unified our transport system and now we have a single transport facility and repair



center. We have also combined our bookkeeping services. We must consider further as to what remains to be done..."

Here again we have thinking, intending, considering....

At that time I also visited the logging center of another lumber farm. The chief was on leave. His deputy was Anatoliy Ivanovich Dorofeyev, the technical manager, a young person who had assumed his present position shortly before that. The technical manager of a logging center is like the chief engineer of an enterprise or, at least, the chief of the technical affairs of a shop.

Dorofeyev and I discussed the development of reconstruction and new ideas.

"What ideas?" he answered, smiling. "The lumber farm ordered that the machine fleet be combined. We took the equipment from the foresters, which they had been keeping in the settlement, and put in our garage. Their equipment was quite worn out and needed repairs. But what kind of repairs could we make if we were being given spare parts for our own machinery only? We had our own balance sheet and they had their own. Furthermore, we do not have surplus personnel. We shall go to the lumber farm office to clarify matters. We shall do whatever we are told.

"Did you discuss your common problem with the foresters?"

"Not yet." Dorofeyev smiled again, as though this had nothing to do with him. "We have not reached that point. We are disciplined people. We shall obey orders. Why worry? The chief of the logging center is on leave. When he returns something or other will be decided..."

The next day we went to an open party meeting at the main settlement of the lumber farm complex. Some 150 people were at the club. This was the first time that party members from the lumber area had been invited. The director spoke. I did not find in his report anything other than general statements to the effect that restructuring had begun, that the people must develop a new work style and become better organized and that the lumber farm workers should not consider foresters as aliens, as they did in the past, for "now we are a single labor family."...

When questions were asked about solving specific problems, the director answered that all such problems had to be studied...

Once again, it was a question of making a study!

"Well, do you know how to work in a new style?" I asked Dorofeyev on our way back to the settlement.

"The director himself does not know," he said, shrugging his shoulders. "You heard him: one must study the problem. These people are our superiors. Let them think. Meanwhile, we wait. When they give us the word, we will go into action."

Trip to Olonets

Accidental meetings do occur! I was coming out of my hotel room and, next to me, Nikolay Akimovich Medvedev was coming out of his. We had not seen each other for 5 years and here we meet, in Petrozavodsk.

"What brings you here?" "Things are not going too well with their plans."  
"What about you, do you have a new job?" "I'm in charge of timber resources..."

Sometimes, fate makes the decision! But was it fate? I already pointed out that Medvedev was considered a very influential person at the Minlesprom, where he was chief of the planning-economic administration. He was an efficient and organized person, and was highly valued. Subsequently, when the ministry was merged with the other ministry which dealt with the cellulose-paper industry, when it became the Minlesbumprom, Nikolay Akimovich found himself out of favor. The new minister did not like him. Stubborn as he was, many of his views differed from those of the minister, something which Medvedev did not conceal but mentioned openly. He had his own idea on how things should be in the timber industry, had written scientific works on the subject and submitted daring suggestions in the press. Essentially, he believed that matters in the sector were not being handled properly and that the timber problem should be considered on a comprehensive basis and not divided among departments. Perhaps some thought should be given to a single control center, on a level above that of the ministry. Today we understand what he was driving at, for we now have an Agroprom and a machine building bureau. According to Medvedev, something similar should be created to manage the timber industry. His arguments were substantial. He is a great economist and his ideas were backed by proper calculations.

Under those circumstances, frankly speaking, Nikolay Akimovich's task could be considered unrealistic until the April 1985 CPSU Central Committee Plenum which called for a major, a revolutionary reorganization. He believed that this huge complex should operate on a self-supporting basis, without dipping into the pocket of the state, using subsidies and working at a loss. Today such a formulation of the problem has become the norm, whereas then...

In short, N.A. Medvedev was transferred to a secondary job. Obviously, the ministry did not dare to fire him for he was too well known and could not be faulted with anything. But then a new minister took over the Minlesbumprom... Although not immediately but eventually the people realized Medvedev's value.

"How is the job?"

"Normal. As long as everything is in motion, the work is being done."

"What brings you here?"...

"Yes, everything is normal," he said after I told him of my initial impressions of the meeting at Karellesprom and about setting up comprehensive lumber farms.

"Are you saying that everything must change immediately?"

"I realize that not everything can be changed immediately. But how can one restructure without having weighed and considered everything in detail? Everyone is waiting for decisions 'from above,' for guidance. Why don't they think for themselves?"

"You are familiar with the way things were started at the Prikarpatye. I do not find anything unexpected here."

That same day, Medvedev met in Olonets with V.I. Frolov, Karellesprom chief engineer. I joined them. As I was told, the lumber farm and the foresters lived, unlike elsewhere, quite well together and the managements of these enterprises did not engage in endless disputes or reciprocal complaints on noncoinciding departmental interests. In other words, they tried to make one another's life easier, rather than complicate it.

The distance to Olonets is not small--3 hours by car, traveling at a good clip. This gives us time to talk. Naturally, it was a question of working under the new conditions. There were many problems. There is still no full lumber complex. Nine forest farms have remained outside the jurisdiction of Karellesprom and so have the cellulose-paper enterprises. Raw material resources and logging are under one jurisdiction, the processing industry operates separately and, as in the past, Karellesprom cannot control the activities of the cellulose-paper enterprises and solve by itself problems related to supplying such enterprises with raw materials, procurements and production marketing. The problem is difficult. In 1987 the comprehensive lumber farms must begin operations on the basis of self-financing. What about timber management? To this day, it is controlled by the state. The forest farms submit work reports on the way they used the allocated funds for reforestation. Failure to spend the money means failure to fulfill the plan. The results of such work are not taken into consideration. The work indicators are based on hectares of plantings and crops and money spent. It is only after 10 to 15 years that the goods produced by the foresters will be seen, how much was grown and the cost of logging. This is another problem....

All of this was discussed during the drive.

In Olonets we were expected by Tamara Nikolayevna Kabanova, chief forester of the Olonets KLPKh, and director Stepan Sergeyevich Razdorskiy. They had a pile of questions for N.A. Medvedev. He patiently heard them out and after each request asked whether they had addressed themselves to Karellesprom and what had the answer been. It turned out, in the majority of cases, that they had not gone to Karellesprom. I remembered meetings in other lumber farm complexes, involving A.I. Dorofeyev, the technical manager, who, according to many, was an active, conscientious and knowledgeable specialist. The same happened here: "Let our superiors decide. Meanwhile, we wait." Let me point out that T.N. Kabanova is known throughout Karelia for her loyalty to forestry, to which she has dedicated many years of her life and achieved major successes. I.N. Sankin has assigned his own directors to learn from her. Yet it was she, an energetic person, who was asking N.A. Medvedev to intercede with Karellesprom for a few more openings for foresters. Medvedev asked chief engineer Frolov, who was present, whether the association could provide such openings. The other one noted: "Naturally, we can! No objection, if this is needed by the work? But then no one turned to us..."



"We did," Kabanova pointed out. "Not to you personally, and not to Sankin." She named someone I was unfamiliar with. "He refused."

"We shall straighten this up," Frolov promised, sighing, for some reason. "There is not enough time for everything."

I kept listening and thinking that it was physically impossible for Sankin to deal with everything, for there was a great deal to do. Everyone should work properly: the entire machinery of the administration, the association and the enterprise complexes.

As though continuing this thought, as we were driving back, I listened to Medvedev telling Frolov:

"Do you know what the most important thing is now, Vyacheslav Ivanovich? Cadres. We need clever people. That is the problem. We need intelligent, decisive and active people. It is only with such people that we can operate today."

"I'm tired," unexpectedly said Frolov. "I am ready to go right now to the lumber farm, to start logging. There are so many new opportunities now..."

"You would be wasting your time," Medvedev shook his head. "Let others do that. You must do your own job. You and Sankin have the task of choosing intelligent and practical people and placing them properly, so that everyone starts working hard. That is the main task. Find such people and your own work will become more interesting and you will forget about your present mood..."

Today I think back of the meetings in Karelia and the people, their concerns and their worries. Their long hopes have now come to an end, a Karelian lumber complex is being set up. Naturally, there are difficulties. Not all the problems which are important for its successful operation have been solved by the superior authorities. However, it is hoped that they will be solved in the immediate future, for they do not require any material outlays. They are of an administrative-organizational nature and the only thing they require is proper planning, assessing and resolving. The much more difficult problem involves the psychological aspect of the work. The greatest difficulty is to eliminate the stereotype of waiting for instructions from above.

"The self-support of enterprises and converting them to full cost-accounting will force the people to look at their work differently," N.A. Medvedev told me. "It will force them, wherever necessary, to make their own decisions and to assume responsibility."

Yes, this is probably what will happen in the final account. It must happen. The party relies on this. But honestly speaking, however, I was hoping to see in Karelia not exactly what I saw. I thought that "think tanks" would be working jointly at the farm complexes, submitting to Karellesprom suggestions of what to do and how to do it for the sake of restructuring, and that the association itself would have such a think tank which would analyze and select



the most practical suggestions; I thought that the best scientific forces would become involved, working together, developing tactical problems, based on far-reaching strategic objectives. I did not see this. I saw, however, the heavy burden assumed by I.N. Sankin, the chief of the association, V.I. Frolov, his first deputy, and several other people, solving problems on their level. What about the others? Are they waiting for instructions?

I recall my meeting with A.I. Dorofeyev, the lumber center technical manager, and other personnel of the farm complexes, whom I will not name, for the list would be quite long; I recall their words that they are little people and theirs is not to solve problems. They would wait for superior decisions and then act. That is the trouble existing on various official levels and that is what we must fight.

Time flies. Several months have gone by... Perhaps something in that distant timber area has changed. But then, for whom does time fly and for whom are weeks and months dragging on slowly, in easy expectations?

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## FIELD AND SHOP

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[Interview granted by S.P. Ginin, candidate of economic sciences and chairman of the board of the Kolkhoz imeni 16 Godovshchina Oktyabrya, conducted by journal correspondent V. Kovalenko]

[Text] Each progressive kolkhoz has its own features, path of development and ways of enhancing economic activities. They are dictated above all by the natural and economic conditions of a given farm. The Kolkhoz imeni 16-y Godovshchina Oktyabrya has the poorest soil in the Vladimir area. In order to make such land high-yielding and to increase the output of livestock farms, tremendous capital investments were required. The kolkhoz members acquired these funds by intensively developing auxiliary industries.

The way in which a once lagging kolkhoz became one of the most advanced in Vladimir Oblast is described in a talk conducted by V. Kovalenko, KOMMUNIST correspondent, with S.P. Ginin, kolkhoz board chairman and candidate of economic sciences.

[Question] Stepan Petrovich, describe for us briefly the conditions at the farm when you assumed its management?

[Answer] Our kolkhoz is in the very heart of the Meshchera. Nature here is beautiful but the land is poor. More than half of the fields and meadows are swampy and covered with bushes. The rest of the land consists of sandy lumps.

In 1956, when I was elected the 31st consecutive chairman of this kolkhoz, the situation in it was extremely difficult. It had 450 able-bodied kolkhoz members but each one of them could work in the fields and livestock farms no more than 60 days per year. Annual earnings totaled 22,000 rubles, and this entire amount was used to pay for various services. There was nothing left for wages. Grain and potatoes were issued to the kolkhoz members in such small amounts that they could not feed themselves. They cultivated their garden plots to supplement their earnings.

From the very beginning, it was clear to me, with my training as an economist, that it was impossible to improve the farm and increase yields and cattle productivity in the immediate future without major capital investments. But

where could this money come from? We held a board meeting and decided to establish auxiliary industries by choosing the method of parallel development of agriculture and industry.

All of this was not so simple. It required a close study of demand, find enterprises which had equipment they were about to write off, find consumers and solve packaging and transportation problems. Initially we even encountered some opposition on the part of kolkhoz members, who believed that they would earn less in production shops than on their own. Reality, however, rapidly changed the ideas of the people. The money earned in the kolkhoz's industrial shops were a substantial addition to the budgets of many families.

Steadily, year after year, income increased. Whereas initially it amounted to tens of thousands of rubles, several years later it reached in the millions. We began to invest such funds in the development of agricultural production and the social area. Between 1974 and 1979 our farm merged with three lagging kolkhozes whose annual losses amounted to 2.4 million rubles. Their long-term debts to the state had reached 8,454,000 rubles and their short-term obligations totaled 9,733,000 rubles, or a total in excess of 20 million rubles. In the first 3 years of joint work, however, thanks to increased industrial output and greater demand for our products, we eliminated losses and no longer resorted to long-term loans. At the beginning of the 12th 5-year period the value of our capital assets had more than doubled and working capital had increased from 6.5 million to 10.8 million rubles. The overall amount of our own investments in production and sociocultural projects reached 23.6 million rubles! With these funds, in 7 years the farm's economy was radically restructured and improved. By the end of this 5-year period we will have repaid our loans to the state in full.

Today the kolkhoz has 7 production shops which make dyes, house-painting rollers, automobile seat covers and doll dresses, process lumber and manufacturing of carpentry goods. We also have a construction shop. The overall annual revenue from marketing kolkhoz industry goods exceeds 6 million rubles. We use these funds to cover annual losses from some farming sectors.

Thanks to millions of rubles invested, grain and potato yields have increased drastically and milk sales per 100 hectares of farmland have increased from 380 to 960 quintals. In the final year of the 11th 5-year period, sales to the state from our 6,000 hectares of farmland (2,000 of which arable) totaled 5,111 tons of milk; during the second year of the 12th 5-year period we had already sold 5,500 tons.

[Question] How has this affected the kolkhoz members? How have they benefited from such an increase in output and economic improvements? Have they changed?

[Answer] We succeeded in technically retooling the farm and increasing the material well-being of kolkhoz members (currently monthly earnings average 230 rubles). Substantial social changes have occurred as well.

Production standards have improved. All of our animal husbandry farms can now be described as milk and meat production shops. These are bright and comfortable premises lined with Dutch tile. Here labor-intensive processes

have been mechanized, including milk pipes, refrigeration facilities, rest rooms, food stands and shower stalls. Asphalted roads lead to the farms and the entire territory within them is also asphalted. A medical prevention center has been built at the dairy complex, with facilities for physical therapy, balneology, and physical culture. The central farmstead has an outpatient center with dental, therapy and other offices. As a result, morbidity has declined by 50 percent.

The school, which now works on a single-shift basis, was radically repaired and expanded. A public bath with a sauna and swimming pool, a store and consumer services facilities were built in the central farmstead. All houses have been supplied with natural gas. We have built about 8,000 square meters of housing with all amenities. There is a coffee shop-cafeteria which becomes a club and where frequently entertainment and hobby groups meet. There is a splendidly operating house of culture at Parakhino village. A new palace of culture and a children's combine for 140 places are under construction.

Successes in socioeconomic construction have attracted young people to the kolkhoz. Every year 30 urban residents--young men and women--become members of our kolkhoz. The boys return here after their army service. Young families are provided with apartments. The average age of the kolkhoz member is 35 for men and 31 for women.

The board assigns capable and conscientious people to study at institutes, tekhnikums and various types of schools. Almost all of our main specialists, subdivision managers and heads of industrial shops are local people, whose tuition was paid for by the kolkhoz. Most mechanizers have secondary and specialized secondary training.

[Question] As I listen to you, my impression is that everything seems to have happened somehow by itself, without hitches. Was this the case?

[Answer] Naturally, it was not. We had all sorts of problems. But let me describe especially one of them.

The long years of kolkhoz practical experience (as is the case with many farms in other areas) clearly proves that the development of agricultural output, combined with industry, offers unquestionably advantages. It ensures the year-round employment and steady earnings by kolkhoz members. Guaranteed income enables us successfully to develop crop growing and animal husbandry regardless of weather conditions. The farm does not require state markups on purchase prices or subsidies for the development of its economic base, construction and upkeep of sociocultural institutions. This also benefits the enterprises which sell us substandard raw materials, by-products and other materials unsuitable for large-scale industrial use.

Now as to hitches.

It may seem that the benefits are so obvious that a green light should be given to the development of auxiliary industries. In developing them, however, we came across major obstacles and abundant proof of lack of understanding of the importance of this matter as well as open malevolence.



For example, we considered as one of our great achievements the fact that we had been able to compensate for losses in agricultural production out of income earned by our industrial shops and make the farm profitable as a whole. There were those who reacted negatively to this fact. Some uninformed rayon and oblast-level managers thought roughly as follows: "the people in that kolkhoz do not subsist from the land but from of some kind of commerce..." As a result, we were subjected to endless audits and investigations and steps were taken to "block" initiative and enterprise.

On frequent occasions we were almost on the verge of closing down our industrial shops. Of my 30 years as chairman, no less than 5 were spent under investigation and on no less than 10 occasions I had to sign a written agreement not to leave the place. There was even an occasion when rayon managers (by now they have long stopped being managers), accompanied by a militia detachment, tried to remove me from my position of chairman. However, the kolkhoz party members and rank-and-file kolkhoz members stood up for me. This angers me. I am not alone, for hundreds chairmen of kolkhozes with shops with auxiliary industries have been in the same situation.

In the past 5-year period such investigations and audits were conducted constantly. All of our book-keeping records were confiscated. Inventories were taken and warehouses were sealed off. The number of cattle were counted, fodder and seed expenditures were computed and the use of equipment and construction materials was audited. All organizations involved with the kolkhoz were investigated.

At one point, within the kolkhoz itself as many as 25 people belonging to different departments were engaged in such audits. In addition to them, more than 60 kolkhoz members were drawn into the investigations. They used 5 cars and that was during the peak farm season! As a result, the produce shortfall of the kolkhoz was about 1 million rubles.

The old approach to the farm production structure remains the main hindrance in the development of industry in kolkhozes and sovkhoses. Essentially, this means that the farm should produce goods only from raw materials provided by the land and the livestock. Anything else comes from the devil, for it draws the farmer away from his main work and harms it. Such a mentality conflicts with the interests of developing the agricultural economy. In frequent cases we also come across incompetent interpretations of CPSU Central Committee and USSR Council of Ministers decrees on auxiliary industries. In particular, the local authorities direct the farms toward the use exclusively of their own raw materials and wild fruits, berries, and mushrooms and, at best, raw materials and waste generated within their own area. Administrative prohibitions issued by higher authorities hinder the initiative and socialist enterprise of economic managers. Frequently such interference leads to the closing down of industrial production facilities.

It seems to us that, conversely, we should expand the concept of "local raw material sources" to encompass the regional level. In the majority of cases, such local sources are just dead weight, for lack of demand. This also applies to agricultural raw material sources. Some officials are simply puzzled: "Why is it that this kolkhoz in Vladimir Oblast is buying vegetable

oil in Krasnodar kray? Is it speculating in a valuable food product?" They do not even consider the fact that this oil was unsuitable for human consumption and was not consistent with state standards. To the oil extraction plant this was a heavy burden, particularly as there was no demand for it. We used it to manufacture drying oil. We also purchase sunflower seeds which have turned rancid, which is also converted into drying oil, while the oil-cake is used as cattle feed.

Therefore, such business contacts benefit both the kolkhoz and other enterprises which thus earn additional income. But how great are the obstructions we have had and still have to eliminate merely because the customer is in Vladimir Oblast and the seller in Krasnodar or Stavropol kray! I believe that the time has come to broaden regional boundaries and to lift the prohibition on importing and trading goods. Trade on mutually profitable conditions, based on direct contracts between interested industrial and agricultural enterprises and organizations would expand the list of usable material resources.

In order to achieve this, the type of economic thinking on all levels must be changed. We must once and for all reject sterile efforts to control the economy through bureaucratic administration. Our time demands a firm restructuring of all economic management methods and the skillful use of economic levers.

[Question] What do you consider economic levers? How do you activate them and what more should be done to ensure the fastest possible application of economic administration and management methods?

[Answer] Of late we have earmarked and carried out a number of steps which help us to upgrade the efficiency of the work in some production sectors such as, for example, relations with the rayon Selkhozkhimiya Production Association. Our kolkhoz has a chemization center. We have signed a contract according to which the personnel of the center must carry out the agrochemical work needed by the kolkhoz. On a contractual basis, the kolkhoz assigned to the agrochemists nine of its machine-tractor drivers and ten truck drivers and leased to them dump trucks and several pieces of agricultural machinery. Mutually profitable contractual obligations were assumed, which must be met in order to obtain the planned harvests of the crops we are growing and procure rich fodder. The kolkhoz pays for the work done by the agrochemical detachment (on the basis of 70 percent of wage rates). Final accounts are settled on the basis of results. If the project is profitable there are markups and bonuses. If there are losses, all you get is the advance. In other words, the wages of the agrochemists and the kolkhoz mechanizers are computed by the most impartial "bookkeeper"--the crop. This is the second consecutive year that we have worked on such a basis and have had virtually no reciprocal claims.

Our kolkhoz members accurately understand their task: to produce within the shortest possible time as much food as they can for the people. To accomplish this, however, we must find new reserves about which in the past we simply did not think. For example, we could create a different system of relations with the consumer cooperative. We have production facilities which allow us to

feed a great deal more cattle than we have now. However, we lack fodder. The consumer cooperative has the possibility of purchasing surplus fodder but has no feeding facilities. Why not join efforts? We would obtain fodder from the cooperative farmers and produce meat. Then, in a jointly owned enterprise, we shall undertake to produce meat and sausage varieties and semi-finished goods. All such products could be marketed through the commercial network of the consumer cooperative. Profits would be shared in accordance with production and trade results, on the basis of an agreement concluded by the parties. The prices of finished products would be set by the kolkhoz and the consumer cooperative on the basis of total production, processing and marketing outlays.

Such integration of relations between individual parties stipulates their mutual responsibility for all stages in the production, processing and marketing of finished products, something which is not applied today. Even in the case of the agroindustrial complex, today the partners are economically unrelated in terms of the end result of marketing finished goods. Such a system of relations would not harm the interests of the government and could substantially add to the food stock. The need for subsidies and budget appropriations would be eliminated. Gosbank credits could be used to broaden the production base. However, the practical application of such a system is hindered by a number of obsolete instructions which should be revised as soon as possible. Otherwise no fruitful cooperation with consumer cooperatives would be possible, despite the great benefits it could yield. We have estimated that if this were to take place, in the next 2 years the kolkhoz could double meat production and sales.

Reality indicates that without new economic management methods and the development of kolkhoz industry our fields and livestock farms will be unable to produce more than they do today.

We believe, therefore, that the time has come for the local state and party authorities to realize the tremendous importance of agroindustrial integration in many parts of the country and comprehensively to encourage the development of industry in the farms. This will create additional opportunities for the use of nonstandard equipment, materials and raw materials which are either unprofitable or unsuitable for large-scale industrial production.

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## USE OF THE WORK PLACE

Moscow KOMMUNIST in Russian No 8, May 87 (signed to press 12 May 87) p 61

[Letter to the editors by L. Revutskiy , associate, GOSNITI, USSR Gosagroprom, candidate of technical sciences]

[Text] In my opinion, the existing approach to the certification and improved efficiency of work places is insufficiently effective and, in many cases, harmful to the national economy.

According to the 1986 Regulation on the Certification, Rationalization, Registration and Planning of Work Places, the main task of this important matter has been reduced to rating work places on the basis of their technical and organizational standards, working conditions and safety equipment. Such rating is based on a single method, regardless of the type of work place, its facilities and cost, production load and shift coefficient.

Is it worth substantially to upgrade technical facilities and comprehensively mechanize and automate work places with partial or incomplete production load? To what extent, in maintaining proper production quality, is it expedient to increase labor productivity and improve working conditions in such cases?

In order to answer these questions we must learn, above all, realistically to assess the production load of the work place. It is important to determine at least two most important work place features: the volume of output reached and the production potential, the production possibilities. The methodology applied in defining such features is a topic to be considered elsewhere. It is clear, however, that such a problem is entirely solvable.

In addition to determining the degree of the utilization of each work place, it would be expedient also to assess its cost, both general and by individual element, including maintenance and control outlays. We believe that such an assessment should be made at the very start of the process of certification of work places by qualified personnel. The formulation and implementation of a set of steps which will lead to significant improvements in the utilization of the production possibilities of a work place, including its utilization at full capacity, should be considered the main task in its rationalization. A rationalization which does not ensure a proper increase in the level of the production load is, as a rule, inefficient, unnecessary and wasteful.



Some difficulties exist in ensuring the full production load of work places engaged strictly in the production of specialized items. In this case compromises are possible, such as organizing the production of nonspecialized items, desirably similar in nature. This does not exclude the need for keeping additional equipment at the work place (fittings, attachments, instruments, metal goods). This approach becomes particularly justified in the case of costly and best equipped work places which offer good or improved comforts but are insufficiently used in two- or three-shift work. The production of nonspecialized goods could include manufacturing parts of new equipment, nonstandard items and items needed in the implementation of rationalization proposals. Furthermore, in accordance with the actually existing technical facilities, workers with different skills and skill ratings could use said work place in shifts, depending on the nature of the commodities produced.

The objective in formulating plans for improving the efficiency of work places is quite clear today: We must ensure their full production load in the manufacturing of high-quality goods demand for which is steady, at moderate cost, in two or three shifts, and with adequate labor safety. Advancing toward this ideal will enable us to make most efficient use of the existing production potential, save on material resources and funds used in new construction and channel such funds, should this be vitally necessary, into the expansion, reconstruction and technical retooling of enterprises and the development of the social infrastructure.

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## MORE EXTENSIVE USE OF FOREIGN EXPERIENCE

Moscow KOMMUNIST in Russian No 8, May 87 (signed to press 12 May 87) p 62

[Letter to the editors by G. Agranat, consultant, USSR Academy of Sciences Institute of Geography, doctor of geographic sciences]

[Text] In my opinion, the more thorough study and utilization of foreign experience could be of great help in the radical restructuring of many areas of social life. We cannot claim that no such efforts are being made in our country; this is the job of many specialized information establishments and academic and sectorial scientific and design institutes. Generally speaking, a sufficient amount of available information probably exists.

I would like to emphasize, however, the "mentality" displayed in the attitude toward achievements in capitalist countries of our planning, economic, scientific and other personnel. Frequently, excessive and unjustified caution is displayed concerning this experience. We usually hear that "The capitalists will not tell us what to do," that we have "different approaches to the work," that "our conditions are different," and so on. Understandably, from a certain viewpoint this is correct. However, could it be that in frequent cases this attitude reveals the aspiration to avoid necessary and serious considerations and the difficult matter of applying new developments in technology and organization of the work?

We believe that to a certain extent the blame for this lies in the existing stereotype of presenting foreign experience. Frequently such information is published in such a way that, as a rule, it is not made available to the bulk of scientific personnel, engineers and workers. Descriptions of foreign achievements in the press are frequently, if not in the majority of cases, imbued with a one-sided negative sociopolitical assessment to such an extent that, naturally, this does not create a feeling of respect among practical workers.

Unquestionably, criticism is necessary. However, it is both possible and necessary to single out in the successes achieved in the areas of science, technology, economic management methods, forms of administration and cadre policy in the capitalist countries that part which is not the result of sociopolitical circumstances but which is objective and does not depend on such circumstances and which develops when a given level has been attained by

production forces and in scientific and technical progress. At that point it would be legitimate to compare the situation, draw proper conclusions and draft certain recommendations. Most works dealing with foreign experience, particularly in sectorial information publications, do not provide such an analysis. We believe, however, that this is one of the aspects of the open discussion which has developed in our country on the state of our affairs and our situation, against the background of the global economy, science and technology.

I believe that the scientific study and critical interpretation of foreign experience in various areas of social life and, on this basis, the formulation of a set of scientific and practical recommendations should be a target of particular attention. We must enhance the level of research in this area which must be broadened and, possibly, become better coordinated within the framework of the USSR Academy of Sciences and the USSR State Committee for Science and Technology.

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## ADVANTAGES OF INDUSTRIAL SERVICE

Moscow KOMMUNIST in Russian No 8, May 87 (signed to press 12 May 87) pp 62-63

[Letter to the editors by A. Zaporozhets, docent, Kharkov Juridical Institute, candidate of juridical sciences]

[Text] In my opinion, serious attention should be paid to the development of company repairs and servicing of high-precision and complex equipment by its manufacturers. What is the purpose of organizing industrial servicing? First, the consumer is helped in the use of complex equipment. Second, the high quality of repairs is ensured. Finally, such a system enables us to upgrade the quality of the equipment itself, for the burden of servicing it falls on the manufacturer who, naturally, will strive to achieve the highest possible quality, reliability, functionality and information support for the equipment he produces.

The solution of this problem will call for formulating legal regulations governing relations which develop after the sale of the equipment, the delivery of projects ready for use, and so on. The initial steps have already been taken in this area. At the Kharkov Tractors Plant, for example, services are provided through a system of support centers in areas of heavy tractor concentration. An effort has been made to provide company technical servicing of mining equipment in many parts of the country by the USSR Ministry of Coal Industry. Here relations are based on guarantees (the manufacturer undertakes to eliminate free of charge defects found in goods he has delivered or to pay a compensation).

Nonetheless, this is insufficient, for after the guarantee has elapsed, the equipment should continue to work reliably. There is a need for a new approach to the problem of company servicing. We believe that the manufacturing plant should service the equipment delivered to the national economy for the entire length of its operational life, on the basis of open-end economic contracts, directly, bypassing intermediary units. This system would provide a solution to our old problem of repair output: Repair enterprises whose activities are similar to those of the manufacturer should be reassigned to the manufacturing plants. They could also perform the functions of dealers for many machine building enterprises.



The system of company servicing could be established during the 12th 5-year period. Naturally, the location of repair enterprises will be determined by the territorial areas of delivery of industrial commodities, their standardization and the possibility of servicing between three and five models of the same or similar items.

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...THE MORE SUBSTANTIVE THE LECTURER'S WORD

Moscow KOMMUNIST in Russian No 8, May 87 (signed to press 12 May 87) p 63

[Letter to the editors by V. Frolov, lecturer, Zaporozhye Oblast Organization, Znaniye Society, head engineer at the Motorostroitel Production Association]

[Text] In my opinion, it is important today to take a look at lecturers and propagandists from the viewpoint of their age. I know that our rayon lecturers regularly attend city-sponsored seminars and classes for the oblast aktiv. Frequently, looking at familiar and unfamiliar faces, I have regretfully noted that my fellow-workers on the ideological front are steadily aging. I have wondered how young is the youngest among us? At best, he is about 40 years old. What about the average age?... Could it be that age disparity is sometimes the reason for the indifference displayed by young audiences toward an aging lecturer?

Unquestionably, mature lecturers have substantial experience in work among different age and social groups and a great knowledge potential. However, this is not all. Young people must be approached after thorough preparations. It is important to be familiar with the psychology of youthful behavior and youth tastes. In my view, if a lecturer is almost the coeval of his audience, he is the closest to it.

Naturally, youth is not the only factor in engaging in propaganda work in youth circles. Such work also requires a certain knowledge and skills already gained by the lecturer; but where and when have they been acquired?

Of late quite extensive training is being offered to young lecturers by VUZs, technical schools and rayon and city Komsomol committees. Such courses are much less frequent at enterprises; furthermore, they are unsuccessful, although they have many components for efficient work.

I realized this from personal experience. As I meet today within my plant with fellow-students with whom I attended courses for young lecturers, I recall with pleasure that short but meaningful stage in our lives. It involved a great deal of features, from the stubborn unwillingness to attend lecture classes to the sudden realization that "this will work!" From a tightness in the throat experienced at the initial lecture to the applause of the audience after it; from hurt caused by critical remarks to heated

arguments on topical subjects and a real feeling that a unity of views is being hammered out. No less important in the work of the course was the fact that a collective of like-minded people developed and a friendly atmosphere was established. However, the party committee of the enterprise and, particularly, the person it has chosen to organize and conduct courses for young lecturers play a major role in the creation of such an atmosphere.

Our time formulates complex assignments. Naturally, today's youth will be in the vanguard of those who will fight for their implementation. It is important for their path mandatorily to cross that of talented young propagandists trained in the spirit of our time.

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## THE STATE ADMINISTRATIVE APPARATUS: LENIN'S IDEAS AND OUR TIME

Moscow KOMMUNIST in Russian No 8, May 87 (signed to press 12 May 87) pp 64-71

[Article by Boris Mikhaylovich Lazarev, professor, head of the sector of administrative law, USSR Academy of Sciences Institute of the State and Law, doctor of juridical sciences]

[Text] V.I. Lenin was the first Marxist scientist to conclude that the socialist state must have an efficiently operating and scientifically organized administrative apparatus. He substantiated the principles and formulated the specific concepts for its organization and activities and, as head of the Soviet government, assumed direct leadership in the creation and functioning of this apparatus.

The initial answer to the question of whether the socialist state must have an administrative apparatus and, if so, what kind, was provided by the experience of Paris Commune. The commune combined almost entirely legislative with executive functions represented by an elected authority--the Council of the Commune--and its commissions. In studying this experience, Lenin noted that the socialist state must combine legislative with executive functions in the hands of representative establishments and provide broad direct democracy which would ensure a "turn to the elimination of the state in the sense that not a separate authority or separate authorities will manage the affairs of the state but all of its members will" ("Poln. Sobr. Soch." [Complete Collected Works], vol 33, p 271). As to state employees, they are "either replaced" by the direct power of the people themselves or at least "put under special control" and "from a privileged stratum" "become workers wielding a particular 'type of tool'" (op cit., vol 31, p 146). In emphasizing the importance of Marx's idea on dismantling the old governmental machinery, in his work "The State and Revolution," Lenin wrote: "There cannot even be a question of eliminating officialdom immediately, everywhere and totally. This would be utopia." He also said: "...We want to make a socialist revolution with the type of people who cannot do now without obedience, control, 'supervisors and bookkeepers'" (op cit., vol 33, pp 48-49).

In characterizing imperialism, Lenin noted that in addition to a primarily oppressive apparatus, the contemporary bourgeois state has also an apparatus related to the banks and the syndicates, which perform a great deal of accountability and recording operations and which is something "like a



skeleton of the socialist society" (see op cit., vol 34, p 307). This was followed by the conclusion that "this apparatus must not be dismantled. The capitalists, with their influences, must be cut off, removed from it. It must be subordinated to the proletarian soviets. It must be made broader, more comprehensive, more nationwide." Taking this into consideration, compared with the bourgeois state, the socialist state "will require...many more state officials" (Ibid., pp 307-308).

Several days before the armed uprising, the party's Central Committee instructed Vladimir Ilich to draft theses on the organization of the future system. His notes on this matter suggested the existence of a government consisting of a prime minister and ministers. It was literally on the eve of the uprising that the Central Committee resolved to set up a government but to name it "Council of People's Commissars," in order to emphasize the essentially new nature of such a government. The Second All-Russian Congress of Soviets set up the Sovnarkom headed by Lenin. The local soviets and their congresses created ispolkoms and their departments. The new machinery developed as an integral system of administrative authorities.

The task of reducing to naught "all officialdom" proved to be more difficult than imagined. In addition to the simplest operations of accountability and control, accessible to the broad toiling masses, the administrative area included functions which required specialized knowledge and high professional skills. Under conditions in which, as Lenin pointed out, "Governmental affairs have become inordinately more complex," the decisive sectors of management had to be headed by people who were "not only unquestionably loyal but truly educated and possessing tremendous capabilities" (op cit., vol 45, pp 349, 105). Furthermore, the 8-hour work day did not make it possible that "everyone in turn" would engage in administrative functions after work. At that time by no means did all working people also feel the need to participate in such work: the mistrust of the masses toward anything related to government, which had developed in the course of centuries, had not been eliminated.

The civil war, foreign intervention, dislocation and hunger, hindered the radical improvement of the apparatus. Nonetheless, within a relatively short time, the old apparatus was replaced by a new one in terms of social purpose and structure of officials. Lenin considered this a fact of tremendous importance. "Our governmental machinery may be extremely bad," he noted. "Nonetheless, it exists. The greatest possible historical invention has been made...." (op cit., vol 45, pp 108-109). A structural part of Lenin's plan for building socialism was a plan for perfecting the state machinery which, despite all its shortcomings, played a tremendous role in solving problems of building socialism and defending the country.

At the beginning of the 1960s an underestimating of the administrative apparatus appeared in a number of philosophical and legal works. This reflected rather superficial concepts concerning the time needed for and ways of building communism. For example, statements were made to the effect that if the role of the soviets would be increased, the role of the apparatus would correspondingly decline; its realm of activities would be steadily diminished and within a short time the local soviets would be able to carry out all of

their activities through meetings, deputy commissions and aktivs. Reference was made to the CPSU program of 1961. The program was based on Lenin's idea of upgrading the role of the soviets in administration and noted the important role of the administrative apparatus. It also presumed the transfer of the functions of state authorities to public organizations and of an increasing number of functions of executive committee departments and managements to the permanent commissions of the soviets. The program stipulated that administrative skills must be mastered by increasingly broad masses while the work of the apparatus "would eventually stop being a profession." To many this possibility appeared quite imminent.

Subsequent practical experience, however, proved that despite the enhancement of their activities, the permanent commissions of the soviets were unable to assume most of the functions of ispolkom departments and administrations. Nor did transferring functions to public organizations become widespread. Broadening the range of problems solved by rural soviets as well did not reduce any volume of activities of the administrative machinery. Voluntary work within the apparatus, particularly in the local areas, increased. As a whole, however, the apparatus continued to function primarily on the basis of professional services.

Nonetheless, as was noted at the January 1987 CPSU Central Committee Plenum, the role of the executive authorities increased excessively, to the detriment of elective agencies; efforts were frequently made by the personnel of the apparatus to issue orders to soviet deputies. "No executive authority, not to mention its apparatus," M.S. Gorbachev said in his plenum report, "has the right to take over the functions of an elected agency and to dominate it." Any weakening of management and control by the soviets of people's deputies over the apparatus, as practical experience of the 1970s and 1980s indicated once again, strengthens departmentalism, parochialism and bureaucratism.

The new draft of the CPSU program, which was adopted at the 27th Party Congress, which indicated the way of development of the political system of Soviet society, emphasized above all the importance of improving the activities of the soviets—the main unit in the people's self-government. At the same time, it described as a matter of great national importance the task of improving the work of the state apparatus and the administrative authorities, and the struggle against bureaucratism. Let us emphasize that the active struggle waged against shortcomings in the activities of the apparatus has nothing in common with efforts to present it as pitting bureaucratic power against the socialist society. History teaches us that under the flag of the struggle against bureaucratism frequent attempts have been made to defame the apparatus of the socialist state in the eyes of the working people, to weaken it and to undermine the confidence in it. The true struggle against bureaucratism is not a struggle against the apparatus but for strengthening it by eliminating distortions within it, which conflict with the very nature of the socialist state.

At each major historical stage in the country's development, the structure, means and forms of the work of the apparatus and the cadres must adapt to changes in the situation and to the new tasks proceeding from it. Unless an objectively necessary restructuring does not take place or takes place with a

delay, the efficiency of the work of the apparatus declines. Bureaucratic trends within it intensify. All of this adversely affects the economic and social development of the society.

As early as the 1960s, the party documents emphasized the need to improve the administration in order to direct it toward upgrading production efficiency and work quality, achieving high end results and ensuring the more efficient utilization of anything available to the national economy. On the basis of the resolutions of the September 1965 CPSU Central Committee Plenum and, subsequently, the 24th, 25th and 26th Party Congresses, a certain amount of work was done to perfect the economic mechanism. During those years the task was repeatedly formulated of optimizing the administrative system. However, it remained implemented.

Meanwhile, in the 1970s, difficulties began to increase in the economy. The growth rates dropped and the assignments of the 9th and 10th 5-Year Plans remained unfulfilled. The main reason was the failure promptly to realize the entire gravity and urgency of converting the national economy to intensive development and the utilization of scientific and technical progress. Work aimed at improving management was taking place slowly and on a halfway basis and its significance was underestimated. Inertia, the ossification of ways and means of management and increased bureaucratism caused a great deal of harm in this matter. A radical restructuring in management was necessary as was discussed at the April 1985 CPSU Central Committee Plenum and, subsequently, the 27th Party Congress.

The current reform in state administration is distinct from the older ones by a number of new features. To begin with, it will take place not immediately and on the basis of a single stereotype but of experiments conducted in a number of economic sectors, taking into consideration the specific features of each one of them. Second, it is of a more integral, systemic nature, including interrelated changes in structures, functions and means and ways of management, work style, cadre support and, in the final account, it is aimed at creating conditions for the efficient work of the administered projects--enterprises and associations--which are converted to full cost accounting. Now the superior authorities must exert their influence primarily with the help of economic methods. In turn, all of this is related to upgrading the quality of planning, perfecting the financial and credit systems, price setting and material and technical procurement, including the development of wholesale trade in means of production. Third, the efficiency of centralized management is increased and the role of the center in the implementation of the party's economic and social strategy is enhanced; at the same time, the practice of superior intervention in the daily activities of lower units is eliminated. Fourth, the expanded rights of enterprises and organizations and the strengthening of their economic interests in doing good work are combined with the development of democracy and the increased role of labor collectives.

One of the ways of improving the administrative apparatus is to optimize the "network" of its central units. As existing economic sectors and sociocultural activities became more differentiated and as new ones appeared, the number of central authorities of the USSR and the Soviet republics increased and the realm of activities of many of them were narrowed. This was



a direct consequence of the fact that for a long time after the people's commissariats (or ministries, since 1946) daily management of each enterprise had to be provided and the number and variety of such enterprises increased.

There were 10 union people's commissariats when the USSR was founded; there were 18 in 1936; in 1956 there were 52 union ministries and in 1979, 64. It is true that in subsequent years two ministries were combined (cellulose-paper and timber processing industries). However, three new ministries were set up (for the production of chemical fertilizers, construction in the Far East and the Transbaykal, and production of fruits and vegetables). The establishment of the USSR Gosagroprom led to the merger of six central authorities. The USSR Gosstroy, to which the construction ministries were subordinated, was established in 1986; the USSR Ministry of Nuclear Power Industry was created. The result is that now we have 59 ministries and a multisectorial authority--the USSR Gosagroprom--operating on the union level. Many state committees are sectorial--Gosleskhoz, Goskino, Gosteleradio, Goskomizdat, and USSR Gosprofobr. A large number of departments are under the USSR Council of Ministries. Usually, the union republics duplicated the "network" of union-republic authorities of the USSR and, sometimes, allowed an even greater splintering within the apparatus. On an average, each council of ministers of a union republic has under its jurisdiction 40-50 ministries, state committees and departments.

Such an abundance of sectorial units makes increasingly difficult the solution of intersectorial problems, the number of which is growing. It increases the number of necessary coordinations and, consequently, makes decision making slower. Many economic and sociocultural sectors lack unified centers. This imposes additional burdens on general authorities and planning bodies. The narrow specialization of many sectorial departments and their multiplicity hinder the organization of intraregional specialization and production cooperation.

Excessive lack of coordination in sectorial management may be eliminated in several ways. The first and simplest is to consolidate ministries and departments through mergers, so that each consolidated unit be in charge of a sector or even perhaps subsector of the economy or a sector in sociocultural building. The second is to take the example of the USSR Gosagroprom in creating multisectorial authorities and eliminating the respective sectorial ones. The third is the creation of authorities such as bureaus or commissions of councils of ministers (headed by the deputy chairman) for coordinating and directing the activities of groups of related or interrelated ministries and departments (as we know, not so long ago bureaus in charge of machine building, the fuel and energy complex and so on, were set up). The fourth is the creation of sectorial authorities superior to the ministries (such as the Gosstroy, which was established in 1986 and is now controlling the activities of construction ministries). The type of form to be adopted in each specific case is no simple matter and its solution will necessitate serious substantiations. For purposes of starting a debate, here are some suggestions.

Clearly, it would be expedient to reduce the number of industrial ministries, many of which are currently very strictly specialized and whose enterprises



produce a single line of complementing items. The creation of systems for the management of groups of similar and interrelated sectors will broaden prerequisites for setting up comprehensive production and scientific-production associations, scientific and technical intersectorial centers and other organizations, regardless of the departmental affiliation of their units. Unfortunately, so far this process has taken place essentially within the individual management sectors and it is as though the ministries had conspired not to transfer enterprises among themselves. That is why the current system of associations should be reviewed.

We must also solve anew the problem of ministerial powers. The content and style of the work of ministries were based on primarily administrative management methods and excessive centralization. Bearing in mind the broadened area of economic management methods and of enterprise and association rights and their conversion to full cost accounting, the ministries must substantially restructure their work and give up the handling of current affairs. This approach to the nature of the ministries' work will make their consolidation more realistic.

The activities of the central functional authorities (Gosplan, State Committee for Prices, Ministry of Finance, Gosbank, and others) must also become subjects of restructuring. They must be relieved from dealing with current problems; the scientific substantiation of decisions must be ensured; there must be a proportional development of the economy and the social area and stimulation of scientific and technical progress. It is important for the plan, prices, standards, budget payments and crediting to merge into a unified, internally coordinated system of levers and incentives.

Radical changes must be made in the work style of the central authorities. We must decisively reject the still extant bureaucratic paper shuffling. Thus, in 1986 the USSR Ministry of Electrical Equipment Industry "issued" about 10,000 documents of all kinds. Although located in the same building, many of the ministry's administrations and departments communicate with each other essentially in writing. This is frequently encouraged by the control system: controllers put greater trust in pieces of paper than the real people who draft such papers. However, matters do not stop there. The ministries frequently hinder the transfer of their rights to lower units and continue to perform a mass of current functions.

The broader the rights of enterprises and associations become, the more topical becomes the problem of protecting them from violations by superior authorities. Such violations occur not only as a result of one-time orders. In his speech to the party and economic activists, M.S. Gorbachev repeatedly noted that ministries and departments manage (quite frequently) to "swaddle" enterprises and associations to such an extent with the instructions they issue that little is left of their rights as stipulated in governmental decrees. How to put an end to such practices?

Legal publications have suggested that enterprises be given the right not to obey what they consider illegal decisions of a superior authority. The implementation of such an idea, however, would threaten to undermine discipline in the national economy. Some jurists have suggested that

enterprises appeal illegal ministry orders to arbitration authorities. However, this becomes realistic only with the election of enterprise directors and making arbitration independent of administrative authorities. A reliable protection of enterprise rights can be provided also by the general supervisory authority of the prosecutor's office, providing that it is strengthened with, among others, cadres of specialists in economic legislation. Once and for all, the personnel of the administrative apparatus must be made to respect the rights of enterprises. Otherwise the new economic mechanism will not function at full capacity. The state must be held responsible for any property damage done to enterprises and associations as a result of illegal orders issued by ministries and departments.

As early as at the September 1965 CPSU Central Committee Plenum, it was emphasized that ministries, making extensive use of economic levers and incentives, should act as real arms of the government. Meanwhile, at the beginning of the 1980s, industrial and construction ministries began to convert to cost accounting. These ministries lost their status as governmental authorities and became similar to boards of big companies. The supporters of "cost accounting ministries" suggested that this model be used as a basis and that such ministries no longer be described as state administrative authorities but as economic management agencies. However, reality proved the weakness of such suggestions. The Central Committee political report to the 27th Party Congress emphasized that ministries are "institutions of state administration responsible to society." The purpose of the ministries is to promote the party's and government's policies in their assigned areas. Ministry "cost accounting" is inconceivable in a system of enterprise and association full cost accounting.

In a number of sectors, although many enterprises were transferred from union to republic and from republic to local jurisdiction, an excessively high level of control over such projects remains. In some cases this is related to setting up associations, trusts and other organizations which, unlike the enterprises within them, are under the jurisdiction of a higher authority. This is also related to the fact that the material and technical supplies of enterprises under central administration are better and their workers earn higher salaries compared to projects under local administration. It is hardly necessary to prove that the subordination of enterprises must always depend on objective factors, such as the needs they meet--local, republic or union--the type of raw material they use, and so on.

Considering the scarcity of housing and of a number of consumer goods and the creation of a large number of industrial enterprises in previously uninhabited areas, many of them have developed their own procurement and other nonspecialized industries, departmental housing and trade enterprises (ORS). Such territories eventually become developed but departmental "trains" remain. In some cities, to this day industrial enterprises maintain their own water mains, streetcars and buses. Despite decrees on transferring departmental housing to the local soviets, such transfers are taking place slowly and more than 50 percent of the state housing is not under the jurisdiction of soviets. It is high time to establish in detail what should remain under the jurisdiction of industrial enterprises and departments and what should be transferred to the local soviets.

The 27th CPSU Congress deemed necessary that additional steps be taken to strengthen territorial management. Guided by the stipulations of the congress, the CPSU Central Committee, Supreme Soviet Presidium and USSR Council of Ministers passed a decree "On Steps to Ensure the Further Enhancement of the Role and Strengthen the Responsibility of Soviets of People's Deputies for Accelerating Socioeconomic Development in the Light of the Resolutions of the 27th CPSU Congress."

The exercise of the new rights granted to councils of ministers of republics and to ispolkoms of local soviets will significantly strengthen the territorial management factor. In order to achieve this, bearing in mind difficulties in the implementation of previous decrees, it is necessary above all to organize the procedural mechanism of relations between territorial and sectorial and enterprise authorities under superior jurisdiction, to make parts of some decrees more specific and ensure the stricter supervision over the implementation of their new obligations by enterprises.

In addition to traditional forms, increasing use was made of program-target management. It had been pointed out as early as at the 25th CPSU Congress, that authorities must be set which would be fully responsible for the implementation of programs and would coordinate the efforts of executors. The need for an administrative system for each individual program was noted once again at the October 1980 CPSU Central Committee Plenum.

Some experience in such administration exists. Nonetheless, the organizational-legal mechanism for the formulation, ratification and implementation of programs remains "unpolished." Perhaps the time has come to adopt, on the USSR Council of Ministers level, a regulation on the procedure for the formulation, ratification and implementation of programs, which would stipulate that programs must be strictly balanced in terms of targets and resources, that their formulation must come before the formulation of 5-year plans, and that national programs must be submitted for approval by the USSR Supreme Soviet or, respectively, the supreme soviet of a republic and, subsequently, mandatorily reflected in 5-year and annual plans. The central governmental authority, on the union or republic level, responsible for the program, should be granted the right to allocate the resources for the program, issue instructions to executors, regardless of departmental affiliation, and stop actions inconsistent with the targets of the program.

Under the previous management system, the overall volume of activities of the apparatus continued to grow steadily as the economy developed and as the volume of sociocultural construction increased. The growth rates of labor productivity of the apparatus were much lower than those in the production process. As a result, the size of the administrative apparatus increased despite repeated instructions on reducing it. Currently this apparatus, which includes administrative personnel of enterprises, establishments and organizations, employs more than 18 million people. The CPSU program includes the requirement of reducing this administrative apparatus.

Practical experience indicates that this question can be successfully solved only by closely relating it to other steps taken in restructuring management. In other words, we must convert to essentially economic management methods,



reduce administrative orders, expand the rights of enterprises, establishments and organizations and develop the principles of self-government. We must also combine a number of authorities, eliminate obstructing units, and accurately and efficiently assign competences and responsibilities; we must create efficient and abolish bureaucratic procedures and apply scientific tables of organization.

We must not forget that the state machinery will continue to work primarily on the basis of professional services for a long time to come. The time has now come to increase exigency toward its cadres. In order systematically to implement the cadre policy formulated at the January 1987 CPSU Central Committee Plenum, changes must be made in the selection and placement of personnel, which would weaken the individual dependency of subordinates to the "bosses," such as to block manifestations of subjectivism and favoritism and to strengthen the democratic principles in solving personnel problems. The system of periodical certification of employees, conversion to electivity of enterprise and production subdivision managements, and consideration of public opinion in new appointments should contribute to strengthening cadres. The solution of all such problems would be helped by the adoption of the USSR Law on Government Service. Work on this area has been done by the USSR Academy of Sciences Institute of the State and Law.

The network of schools developed in our country for training and upgrading the skill of administrative cadres must be expanded and, above all, restructured qualitatively. Currently it is primarily sectorial and lacks unity. The USSR Minvuz, which directs and coordinates the activities of institutes for upgrading skills is inadequately coping with this work. Taking into consideration practical requirements, it would be expedient to set up a network of intersectorial management institutes and secondary administrative schools and to attach skill upgrading institutes to large academic and other leading scientific centers.

Virtually all steps related to restructuring the apparatus should have clear legislative support. We must update legislative acts and regulations dealing with administrative authorities. Considerably greater attention should be paid to legally regulating relations within the apparatus (job instructions, procedure for joint and coordinated decision making, adoption of work rules, etc.). Practical experience indicates, nonetheless, that the formulation of uncoordinated legal acts on individual problems or levels of administration is ineffective. It needs a more systematic approach. Suggestions have already been made on adopting a general USSR Law on the Organization of State Administration, which would concretize the constitutional principles of management and create a uniform methodological legal base for the promulgation of laws in this area.

Almost 70 years separate the restructuring initiated in our country from the Great October Revolution. Essentially, however, both events are inseparably linked, for restructuring means making profound and truly revolutionary changes in all areas of social life, the purpose of which is to give socialism its most modern aspect and to ensure the fuller identification of its creative potential. The revolutionary creativity of the masses is the main factor in restructuring. In order to give scope for the most powerful constructive



force of socialism--the free labor and collective judgment of the people--it is necessary, as was emphasized at the January 1987 CPSU Central Committee Plenum, to ensure the systematic development of democracy and to broaden socialist self-government by the people. The second most important factor in restructuring, organically tied to the first, is efficient party leadership and state administration and the efficient functioning of all units within our political system.

The major steps taken to improve the state administrative apparatus, which are taking place and will continue to be implemented in the course of restructuring, call for developing theoretical studies on administrative problems and ensuring the practical use of conclusions based on science. This will help to solve the problem formulated by V.I. Lenin: raising our state apparatus to the highest standard.

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## RESTRUCTURING AND LEGAL STATUS OF STATE ENTERPRISES

Moscow KOMMUNIST in Russian No 8, May 87 (signed to press 12 May 87) pp 72-74

[Article by Mikhail Grigoryevich Karpunin, candidate of economic sciences, and Aleksandr Kuzmich Kravtsov, head of the department of civil and labor law, Voronezh State University, doctor of juridical sciences]

[Text] The use of economic standards yields positive results only if they are stable. However, this is not easy to achieve. To this day enterprises frequently demand amendments to their plans, motivating this request with an inadequate substantiation of the plans or changed economic conditions. The same type of considerations are formulated by the planning authorities in the correction of standards.

What does the draft law say on this subject? Only the fact that "Correcting economic standards...is forbidden" (Article 9) and that "Economic standards, set for the enterprise are stable and must not be revised" (Article 10). However, hardly anyone would start denying the possibility of errors in setting up standards or the possibility of substantially changing the conditions governing enterprise activities during the 5-year period, when the retention of a given standard becomes difficult to justify. Therefore, we truly need a legislative procedure for amending standards, which would ensure the interests of the state and the enterprise as parties to legal property relations. Obviously, we must comprehensively study the possibility of involving arbitration and court authorities in solving conflicts which may arise on such grounds.

The situation related to expanding the rights of enterprises in planning could be described only as dramatic. For the time being, events are developing in a way similar to those during the economic reform of the 1960s, when no essential changes were made in the correlation between centralized and decentralized planning, despite the decisions which were made on that subject.

The 14 July 1983 CPSU Central Committee and USSR Council of Ministers decree stipulates that the 5-year plans of enterprises could include a limited number of indicators differentiated in accordance with the characteristics of the work in the respective industrial sectors. There will be specific lists of items to be set by superior authorities and considered mandatory; the plan indicators will be ratified on the basis of governmental documents according

to the sectors (groups of sectors). As we know, such standards are not observed.

Usually, the enterprises direct their objections to plans to the ministries. However, matters go farther than that. Without an essentially new concept of planning on the highest levels, in themselves statements on broadening the rights of enterprises will be inefficient.

Could we say that Article 10 of the draft law indicates some kind of new planning concept? We believe that such is not the case. It is precisely this article that has triggered the most objections. It is unclear and conflicting. This can be seen by comparing its Points 2 and 4 with Point 5. Initially it is a question of the basis on which the enterprises should formulate their 5-year and annual plans. No mention is made of plan indicators issued by superior organizations. It is then made clear that such indicators are nevertheless set, which means that the enterprise must observe them.

As the recently held wholesale fairs have indicated, no substantial changes have taken place in wholesale trade. The mechanism of assigning wholesale trade organizations to manufacturers, which leads to the fact that a significant amount of unnecessary goods crowd the shelves of warehouses, remains unchanged. Great doubts are triggered by the possibility of developing real wholesale trade on the basis of the Regulation on Wholesale Trade in Industrial-Technical Goods, which was issued by the USSR Gosplan in June 1986. We believe that essentially it is based on the old type of requests submitted long before the beginning of the planning period and on the centralized allocation of stocks. The only difference is that now such stocks will be allocated to enterprises by organizations which have never assumed any responsibility for the production process, nor could assume such responsibility by virtue of their position within the management system. The draft law does not provide a constructive legal foundation for a decisive change in the situation in this area.

The beaten track of distinguishing between the competence of enterprises and of superior authorities, which has been followed by the drafters of the law by listing the specific rights of enterprises (Article 4 and others) is hardly justified today. There should be a general standard stipulating that the enterprise has certain rights in connection with the stipulated objectives of its activities. It should then be determined, first of all, what decisions should the enterprise coordinate with superior authorities (capital investments in excess of a specific amount, and so on) and, second, the nature of regulations issued by the superior authorities (some plan indicators, prices, etc.).

The first 23 articles of the draft law speak of the enterprise in general. The final 24th article stipulates that the specific features governing the application of the law in the individual economic sectors and individual types of enterprises will be determined by the USSR Council of Ministers. This article seems to indicate the possibility that the activities of different enterprises will once again be governed by numerous legal acts. Clearly, the law should distinguish among several types of state enterprises different in

terms of standards of economic and legal autonomy. Each enterprise could be classified in one or another level on the basis of a decision issued by the corresponding state authority. If necessary, enterprises could be moved from one level to another. A special legislative status would be granted to enterprises working on a planned loss basis. Enterprises could also be granted their own individual legal status.

The rule stipulated in Article 16 of the draft, according to which if an enterprise lacks its own funds to pay for received materials (work, services) or the right to obtain a credit, such payments will be made by the superior authorities out of assets from the centralized funds and reserves, to be repaid by the enterprise, is questionable. It clashes with the concept of increasing the responsibility of enterprises. Its adoption would legitimize the situation which exists in practice, according to which for years on end many enterprises live at the expense of others and of the state. An alternative solution is possible in this case, according to which the enterprise will be considered insolvent by the courts or through arbitration, should it fail to pay its debts. Should after this the superior authority refuse to pay its debts (regardless of where the funds would come from--budget subsidies, reserves, loans, and so on), the procedure for foreclosing on fixed assets and thus closing down the insolvent enterprise would automatically be enacted. This would constitute a truly radical solution to the problem of the responsibility of all units within the national economy for the efficient work of enterprises.

Very close attention should be paid to articles in the draft law which discuss associations. What is striking is that in some cases it is a question of "enterprises (associations)" and, in others, of "enterprises and associations." Such terminology reveals different concepts in demarcating among said terms and the one favored by the drafters is unclear. Today's production and scientific-production associations are structured on an administrative-legal basis and in frequent cases are created only to meet the needs of the existing centralized management structures. The law should indicate the possibility of making extensive use of forms of civil-legal associations of enterprises. A number of operating production and scientific-production associations have benefited from being restructured as civil-legal contractual associations.

This indicates that many most difficult problems must be solved in the course of the further work on the draft law. It would be difficult to determine the amount of time this might require. In this connection, let us note the possibility of a compromise between the need for the soonest possible adoption of the Law on the State Enterprise and ensuring its highest possible quality. In our view, it would be admissible to adopt a provisional law which would be subsequently amended in accordance with the new experience brought to life by our dynamic age.

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## ENTERPRISE AND LABOR COLLECTIVE IN THE PLANNED ECONOMIC MANAGEMENT SYSTEM

Moscow KOMMUNIST in Russian No 8, May 87 (signed to press 12 May 87) pp 74-76

[Article by Roza Pavlovna Malakhinova and Tatyana Nikolayevna Medvedeva, docents, department of political economy, economics faculty, Moscow State University]

[Text] The objective possibility of a planned organization of public production is the main historical advantage of socialism, based on national ownership. This possibility is not automatic. It requires the steady enhancement of the efficient utilization of all objective economic laws operating under socialism, that of planned development of public production above all. It is only on the basis of the fuller application of this law that the task set by the January 1987 CPSU Central Committee Plenum of restoring the weakened authority of the plan can be solved.

The social purpose of socialist production, as a planned system, which is operated "by the entire society" (Lenin) and with a view to ensuring the full well-being and free and comprehensive development of all of its members, must be clearly codified in the articles in the first part of the law and, subsequently, run through its entire content. It would be expedient in this case to be guided by the stipulation in the preamble of the draft law, which states that the law "intensifies the centralized principles in solving the most important problems in the development of the national economy as a single unit...."

The concept of the enterprise as the basic production unit for the creation of material values does not mean that the enterprise plays a main role in developing the country's economic potential and achieving the supreme objective of public production, as Point 1 of Article 1 stipulates. These are tasks on the macrolevel of the economy. The purpose of restructuring the entire management system is precisely, by expanding the autonomy of enterprises, to "alleviate" the center and enable the higher economic authorities to concentrate on solving the strategic problems of the acceleration of the country's socioeconomic development. Only thus can we benefit from the advantages of the planned economy and obtain the unquestionable advantages which national economic socialization offers in lowering overall labor and material outlays.

The socialist enterprise has a double socioeconomic nature: On the one hand, it is an organic link in the production process, directly socialized on a national economic scale; on the other, it is a relatively autonomous commodity producer. In the draft under discussion, these twin sides are covered in two points of Article 1. According to the first, the state enterprise is the "basic link of the single national economic complex," whereas the second point defines the enterprise as a "socialist commodity producer." The principles governing enterprise activities are correspondingly divided between the two points of Article 2: The first stipulates that such activities are based "on the state plan for economic and social development;" the second stipulates that the enterprise operates "on the principles of total cost accounting and self-financing." In our view, this creates the impression that we are pitting the plan against the market. However, being a specific socialist form of economic management, cost accounting presumes the combination of direct-social with commodity-monetary relations and, consequently, the centralized formulation of the basic parameters and conditions of enterprise economic management. In other words, socialist cost accounting is inconceivable without a unified plan. It is a link in the planned production management system.

We therefore suggest the following text for the first points of Articles 1 and 2. Point 1, Article 1: "Together with the cooperative enterprise, the state enterprise (association) is the basic link in the planned national economy. In creating the public product and multiplying the social wealth, the enterprise makes its contribution to developing the country's economic potential and to achieving the supreme objective of public production: ensuring the growth of the well-being and the all-round development of the individual and all members of society and combining the interests of society with those of the collective and the individual worker. The socialist enterprise is also a commodity producer and reproduces its production assets, markets its output and provides paid services in accordance with the plan and contracts, on the basis of full cost accounting and self-financing." Point 1 of Article 2 should start as follows: "The enterprise builds its activities on the principles of full cost accounting and self-financing. The enterprise formulates its plans and concludes its contracts on the basis of the state plan for economic and social development as the most important instrument in the implementation of the economic policy of the Communist Party and the Soviet state, in accordance with planned figures, long-term economic standards, state orders and orders placed by consumers, whose stipulations are mandatory for the enterprise."

Let us make particular mention of the correlation between the basic functions of the enterprise and the labor collective, as reflected in the draft law. In our view, Point 2 of Article 1 could be formulated as follows: "As the basic social cell, the labor collective of the state enterprise, making thrifty use of the ownership of the whole people, based on self-government, directs and controls production and economic activities and formulates and implements plans for social development." Point 3 of Article 2 should define the functions of the labor collective in the area of production activities as guiding and controlling, and the functions of the enterprise as executing, ensuring conditions for the social development of the collective. At the same time, we must retain the stipulation that the labor collective autonomously

solves all problems of social development. Article 6 in Section 2 should include the stipulation that socialist self-management of the production process by the labor collective is only one of the forms of production self-government. The other aspect of social self-government is implemented in the social development of the labor collective, directly and in full.

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## A REAL OR FICTITIOUS BROADENING OF RIGHTS?

Moscow KOMMUNIST in Russian No 8, May 87 (signed to press 12 May 87) pp 76-78

[Article by Vladimir Petrovich Kosenko, head of sector, Institute of Economic Problems of the Comprehensive Development of the National Economy, Moscow, candidate of economic sciences]

[Text] What strikes in reading the draft law is the verbosity and declaratory nature of some of its articles and the vagueness of some essential stipulations. Exhortations will not advance the project. The purpose of the law is not to appeal to feelings or slogans but to earmark a set of legal standards which would provide the enterprise with the type of economic conditions which will make it steadily to upgrade technical production standards, the enterprise's reputation, etc.

Ensuring the legal protection of rights is an elementary legal truth. This is specifically the purpose of the system of judicial claims. We need a system of laws which would clearly and unequivocally regulate the procedure for filing claims, deadlines and procedure for their consideration, and standards governing the responsibility of officials and organizations which have violated enterprise rights, and rules for compensating them for the damage caused. The lack of such legal instruments leads to the certainty that the basic stipulations of the law will not be observed.

This theory has been confirmed, among others, by more than 20 years of practical experience in the application of the Regulation on the Socialist State Production Enterprise. Following are some of the items in this regulation the violation of which has become the rule:

Point 14: "Confiscation and reapportionment by the superior authority of assets from the enterprise fund is prohibited."

Point 47: "Should the superior authority change the enterprise's planned assignments, it must, at the same time, make the necessary changes in all related plan indicators and in the accounts between the enterprise and the budget." If the rights of enterprises were violated in the past, where is the guarantee that they would be observed after this law has been promulgated? The means which protect enterprises from administrative arbitrariness are not stipulated in the law. A significant part of typical situations which develop



in economic life are ignored by the law. Thus, in frequent cases the production program of the industrial enterprise is "overloaded" with all consequent financial results caused by taking a significant number of workers away from the basic production for purposes of providing "sponsorship aid to the villages," work at vegetable bases, etc. Are the enterprise's rights violated in such cases? And if so who will compensate for the damages? Neither the raykom nor the rayon executive committee have the necessary funds for such purposes.

Point 1 of Article 9 stipulates that "The enterprise will be managed above all through economic methods, on the basis of control figures, state orders and long-term economic standards." However, Article 10 refines this stipulation by stating that planning the variety of output remains mandatorily centralized (based on state orders), as is planning indicators, which are not even listed in the law. Therefore, in the future as well the enterprise will be instructed what to produce, how much, when and how. It would be reasonable to ask: What is the core of the contemplated economic reform in planning? Does it amount to no more than setting firm standards? The need for such stability, however, has been proclaimed for years on end.

The centralized planning of indicators, reflecting the individual aspects of enterprise activities, is incompatible with economic competition among enterprises in meeting social requirements, the need for which is proclaimed in Point 4 of Article 2. Competitiveness presumes the ability instantly to react to changing market conditions and the possibility efficiently to curtail or totally stop the production of some items (which are not in demand) and to undertake the production of new items.

Probably more has been written about the harm caused to the country's national economy from the allocation of material resources based on ceilings than about all other economic problems combined. This presumes a system of requests for raw and other materials filed far in advance, when the type and volumes of output of the enterprise are still unknown. It is only the existing semi-legal practice of enterprise bartering that makes the production system functional. In other words, production activities are made possible only as a result of mass violations of the law!

What does the draft law on the enterprise stipulate in this case?

"In accordance with the plans for the economic and social development of the enterprise, the needs for resources will be determined and met on the basis of ceilings (stocks) or through wholesale trade. As production expands and as demand for output for industrial purposes is met and as the influence of full cost accounting and self-financing is intensified in the area of reducing material production outlays, wholesale trade should expand and become the basic form of material and technical supplies to enterprises" (Point 1, Article 15). The point is, however, that with the existing economic management system, shortages become aggravated even for commodities in the production of which the country has assumed a leading position in the world. If things continue as they are, the present generation of Soviet people will not live to see the satisfaction of demand for commodities and the elimination of funded procurements.

The draft law stipulates the following concerning prices: "The enterprise will market its output (work, services) according to prices (rates) set on a centralized basis as well as on the basis of agreements with consumers or independently" (Article 17, Point 7). The subsequent commentary does not explain the type of commodities which should be marketed on the basis of prices set on a centralized basis and what commodities can be sold at prices which may fluctuate, based on agreements reached between buyers and sellers. We must always remember that noneconomic coercion, including artificially maintained fixed prices of a given commodity has serious negative consequences. It prevents an assessment of the constantly changing relative efficiency of various types of work and their contribution to the national income, hinders technical progress, contributes to the "dropping" of some commodities from the list of produced goods, and so on. The Law on the State Enterprise should define more clearly the types of commodities which must be marketed on the basis of centralized prices and describe price control methods.

Therefore, the draft law does not provide reliable guarantees for a real increase in enterprise economic autonomy. The law must be thoroughly redrafted both from the legal viewpoint and in order to give real meaning to the strategic trends in perfecting the economic mechanism as stipulated by the 27th Party Congress.

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## ELECTIVITY AND ACCOUNTABILITY

Moscow KOMMUNIST in Russian No 8, May 87 (signed to press 12 May 87) p 78

[Article by Yuriy Nikolayevich Yarkin, journalist]

[Text] The draft Law on the Enterprise calls quite properly for the expanded participation of the working people in production management and for the creation of councils of labor collectives. It also proclaims the principle of electivity of enterprise managers on all levels, including the director. Nonetheless, as the discussion is already confirming, the draft does not provide a practical aspect of relations between one-man command and democracy at work, resulting from the election of officials. What would happen if the director does not ratify the collective's choice of a chief of shop or decides to dismiss him from his position? Furthermore, do the superior economic authorities have the right to remove an elected director, and if such is the case, would this be a violation of democracy? How could thousands of workers in large enterprises determine whether or not a given candidate for the position of director has the necessary qualities? Do we have the right, under the conditions of full cost accounting, to deprive the director of the possibility of appointing up his own corps of managers in accordance with the development strategy earmarked and adopted by the enterprise? Many such questions arise.

It is clear, in any case, that the electivity of managers without a thorough formulation on all command levels of the new standards governing relations between managers and subordinates may complicate rather than facilitate the efforts to improve labor discipline and, therefore, adversely affect the growth rates of output and its efficiency.

I believe that under contemporary conditions in the development of democracy at work the emphasis on the accountability of managers should be strengthened, at least starting with shop chiefs and enterprise directors. In addressing the January 1987 CPSU Central Committee Plenum, M.S. Gorbachev emphasized that "The time has come strictly to observe the rule of systematic accountability to labor collectives and to the population by all elected and appointed officials." For purposes of accountability it would suffice to ensure that the activities of an enterprise director or manager of organization or establishment are subjected to the approval of production collectives by secret vote, each 2 to 3 years. On the one hand, this would increase in the

rank and file workers the feeling that they are the true masters of their enterprise. It would contribute to upgrading labor and social activeness; on the other, it would prevent managers from losing their ability soberly to assess their role in production and in society. Assuming that this procedure is adopted, the following rule should be included: Failure to obtain the necessary number of votes would make it incumbent upon the superior authorities to remove from his position the failed administrator, within a short period of time, and to deny him the right to hold a managerial position for a specific period of time. The labor collective's council should be given the right to nominate its candidate for this vacancy.

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#### EXCERPTS FROM LETTERS

Moscow KOMMUNIST in Russian No 8, May 87 (signed to press 12 May 87) pp 78-81

[Text] V. Pustovalov, candidate of economic sciences, and V. Zhitkov, teacher, Moscow:

In accordance with Point 3, Article 3 of the draft law, under the new economic management conditions the enterprise can use independently the sum of amortization withholdings. However, the existing procedure for computing amortization funds does not take into consideration the actual level of utilization of equipment, not only in terms of capacity but also time. In other words, amortization funds are equally withheld for idling equipment.

It is precisely such surplus funds that are included in the cost of production, which is still used as a base in setting wholesale prices and calculating profits. This increases production costs, profits, wholesale prices and volume of output indicators and other features of production and economic activities computed on their basis. In our view, the law should stipulate that amortization withholdings should be based on the use of technological equipment. This would enable us to compute them on the basis of the actual length of operation of the active share of basic production assets.

In that case the enterprise would be compensated for that share of the value of means of production which was actually used in the course of the production process without, however, obtaining additional financial resources for idling equipment. This would force the collectives to make more efficient use of basic production assets, promptly get rid of surplus or obsolete equipment and upgrade the shift coefficient of equipment use.

A. Kvas, senior scientific associate, department of political economy, Kiev Polytechnical Institute, candidate of economic sciences, Kiev:

The words "control figures" should be deleted from Point 3 of Article 10, for the logic of the draft law is such that other than state orders, economic standards and ceilings on material resources, no control figures set on a centralized basis would be required. We must also set up a procedure for coordinating the 5-year plans drafted by the enterprises with the respective sectorial management authorities. In our view, the control figures provide a

loophole for preserving administrative forms of centralized planning which, for the time being, are proper only in some sectors (such as defense).

In our view, the second paragraph of Point 5 of Article 11 should stipulate that enterprises and organizations which develop new types of items work, as a rule, on the basis of the cost accounting principles of self-financing and that the basic form of cost accounting relations between developer and manufacturer is the share of participation of the former in the income of the producer enterprise from marketing the goods and services resulting from such developments.

The second paragraph of Point 1 of Article 15 should clearly stipulate that wholesale trade in means of production, with the help of cost accounting (self-financing) intermediary procurement and marketing organizations should become the basic form of material and technical support. This specification is needed because any material and technical supply system "independent" of the enterprises is fraught with the danger of assuming monopoly rights and because monopoly leads to stagnation.

In order to perfect price setting and to strengthen its economic function, it would be expedient to add the following to Point 6 of Article 17: "The rights and obligations in the area of price setting are exercised by the enterprise in accordance with the basic principles of state price management and control and on the basis of the partnership (equal) participation of consumer enterprises (cost accounting middlemen) in substantiating wholesale price levels."

V. Zanin, engineer, Leningrad:

In order to restore to the plan its guiding role in formulating the strategy of development, the economic units must become interested in identifying internal reserves. The way to accomplish this is by stimulating not the implementation of the plan but actual accomplishments.

The role of the plan increases if the people stop fearing it. To achieve this, however, first of all the superior authorities must be deprived of the right to issue assignments according to a list which would exceed the plan in terms of volume indicators; second, bonuses should depend not on the implementation of the plan but on the growth rates of labor productivity and the level reached in production efficiency and on the correlation between such parameters and average sectorial indicators.

The current stipulation is that bonuses are paid only after contractual procurements have been met 100 percent. This decision is based on the understandable aspiration to strengthen procurement discipline. In practice, however, this rule motivates the enterprises to refuse to conclude contracts or to extend them as much as possible. Enterprises which adopt stressed plans find themselves in an adverse position. Caution prevails over enthusiasm in terms of bonuses. It would be better to formulate a procedure for the full compensation of the harm caused the consumer as a result of underprocurements, paid out of the material incentive fund or the overall enterprise revenue, or

else out of funds of the planning organizations in the frequent cases in which the failure of a contract is directly related to issuing an unrealistic plan.

It would be expedient, consequently, to add the following to Point 3 of Article 10: "No increase of the plan over and above volume indicators is allowed. Should the need for greater output, over and above state orders be required, which would exceed the possibilities of the enterprises, and based on average sectorial indicators, the planning organization would ensure the appropriation of the necessary manpower and material resources or else would release the enterprise from the production of nonspecialized or obsolete goods."

I also suggest the following addition to Point 1 of Article 16: "The enterprise will make full compensations for damages caused to the consumer from improper implementation of its obligations to the consumer, out of its own funds; should such damage be the result of coercing the enterprise to implement unrealistic obligations, the compensation would be provided by the superior organization. Assignments not accepted by the enterprise voluntarily and exceeding the possibilities of the enterprise, as computed on the basis of average sectorial standards, would be considered unrealistic."

G. Kharakhashyan, doctor of economic sciences, Moscow:

Point 2 of Article 1 of the draft law notes that the labor collective will make use of national property as its owner. Several lines later, the text reads as follows: "The enterprise is a juridical person with a certain share of the national property at its disposal and its separate balance sheet." All of this may lead to the conclusion that the enterprise collective acts as the direct owner of the means of production. This conflicts with the national nature of ownership, including the part assigned to the enterprise.

We are familiar with a document which attempted to shed light on such matters. I am referring to the still operational Regulation on the Socialist State Production Enterprise, which was ratified by the USSR Council of Ministers on 4 October 1965. One of the items of this regulation reads as follows: "The enterprise exercises the right to possession, use and handling of property assigned for its day-to-day management and the right to use its allocated land within the limits stipulated by the law, in accordance with the objects of enterprise activities, planned assignments and purpose of the property."

This must be reflected in the law. Each one of these categories--possession, handling, and use--must have its special place in the law, for any one of them is used by the managing subject and influenced by its own economic interests.

From the Editors:

In the course of the discussions of the draft Law on the State Enterprise (Association) the editors received a large number of mail and articles. More than 30 of them were published. The authors of the overwhelming majority of them as a whole support the project as presented, and formulate suggestions aimed at making it more consistent and laying a firm legal foundation for the economic reform.



The participants in the discussion emphasized the need for a clearer juridical substantiation of the document and for deleting from it stipulations which are of an obviously declarative nature. Objections were also triggered by some specific items. The view has been expressed with particular persistence that the stipulation in the draft which calls for setting up a standard for the wage fund of managing, engineering and technical personnel and employees conflicts with the orientation toward broadening the economic autonomy of the enterprises and the laws of scientific and technical progress. Questions were voiced on the role of control figures under the new conditions. A number of letters oppose the broadening of legal control methods.

There have been some letters drastically opposing the very ideas included in the draft. We must point out that they reflect a really existing viewpoint on changes occurring in our country, ignoring which would be improper. Such ideas were expressed in their most concentrated aspect by V. Kozlov from Tbilisi, who claims that the entire essence of the draft law is a "defense of the foundations of capitalism." The problems we are encountering in the course of the development of the national economy are related by the supporters of such views to the fact that "To this day we cannot return to such foundations and improve the situation in the economy and the country with the adoption of Marxist-Leninist ("Stalinist" if one wishes) methods of managing a proletarian socialized, i.e., precisely centralized socialist economy...." (T. Khabarova, Moscow). Essentially, this view applies not only to the draft law but to the entire economic program of restructuring as a whole and we intend to discuss such views in the future.

At this point, let us only note that typical of this group of letters is a total lack of analysis of economic practice and of processes which are actually taking place in the socialist economy. Their authors rely on dogmatic stereotypes taken out of the general context of the development of Marxism. Such letters are also a convincing proof of the harm which insufficient information on the economic history of our country, its embellishment and glossing over crucial aspects and contradictions is causing us today, features which were typical of the periods which are conceived by the supporters of such views as the ideal model for emulation.

Dominating among the critical remarks are those which, while following the course of the reconstruction, emphasize the strong aspects of the draft law and the elimination of shortcomings within it. This is not to say that such suggestions are always easy to implement. Some of the objections are based on the fact that the draft law is considered by itself, out of context with the forthcoming economic reform. Thus, O. Golyas from Togliatti expresses the fear that the enterprise may gain the opportunity of earning substantial undeserved profit. This is a real problem. However, it must be solved not by abandoning the course of broadening the economic autonomy of enterprises but by comprehensively restructuring the entire economic management system, including price setting. Without such restructuring the economic management principles formulated in the draft law would indeed fail to yield positive results.

As a whole, the dominant concept in the journal's mail was one of positive and constructive criticism. The editors thank I. Budchenko from Novopolotsk, N.



Devrishbekov from Shadrinsk, A. Zyryanov from Sverdlovsk, B. Lisovik from Leningrad, V. Sakovich from Moscow, A. Shamayev from Mogilev and others, whose specific suggestions were addressed to the organizations currently in charge of completing the drafting of the law.

We shall not sum up the discussions. This will be a matter for the USSR Supreme Soviet. The open debate which developed has indicated that the party's course of extensive use of economic management methods, development of production democracy and initiative of labor collectives has gained broad public support.

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OUR COMMON RESPONSIBILITY AND CONCERN; ROUNDTABLE MEETING OF 'KOMMUNIST' AND THE KOMSOMOL CENTRAL COMMITTEE

Moscow KOMMUNIST in Russian No 8, May 87 (signed to press 12 May 87) pp 82-91

[Text] In childhood we all have had our first contact with the world around us, first attempts to find out about it, and first joys and sorrows. It is during that period in life that the basic spiritual qualities of man are developed and the richer that period of life is with light, warmth and love, the more successful becomes the process of development of the new individual. Ensuring from earliest possible childhood the necessary conditions for the comprehensive development of the individual is considered today by the party its most important task. Considerable successes have been achieved in this area. However, a great deal more remains to be done. Many children must face adult difficulties while still in diapers, one of which, being an orphan, is a matter of particular concern. This problem was the focal point of attention of the participants in a roundtable meeting sponsored by KOMMUNIST together with the Komsomol Central Committee. Party, state and Komsomol workers, educators, physicians, psychologists and journalists--a total of 24 people--gathered together, united by their concern for the fate of orphans and children left without parental support and deprived of human warmth, attention and love. The slogan of the roundtable debate, a report on which was drafted by its participant, editor Yu. Kirpichnikov, was "Not a Single Unfortunate Child in Our Society."

In opening the session, A. Likhanov, informal head of the laboratory for educational work in the children's home of the USSR Academy of Pedagogical Sciences, writer and publicist, said:

We are touching upon a sensitive, a difficult topic, an entire stratum of our reality which, for many years, was somehow kept semisecret. It was unacceptable for this topic to be mentioned outloud in order not to "traumatize" public consciousness.

I will not hesitate to compare the orphanhood of today to a lake, even a sea, of difficult children's lives, constantly fed by the world around it. This must be considered not as an isolated phenomenon but a combination of all social problems. Let us not cover our eyes: Today nearly 1 million children are being raised without a family. How much do we know about them? What are the origins of today's orphanhood and what steps must be taken radically to

improve the situation in children's homes, to improve the quality of work of guardianship and wardship authorities and to enhance the role of the public in the protection of childhood? Finally, has anything changed in this area after the decree passed by the CPSU Central Committee and USSR Council of Ministers on steps to improve the upbringing, education and material well-being of orphans or children without the custody of their parents, in homes for young children, in homes for children and in boarding schools? Such is the list of questions which we must discuss openly and specifically and which will determine the lives of thousands upon thousands of children.

#### There Must be No 'Ownerless' Children

Reference: There are 422 children's homes in our country, in which 35,000 children are being raised. Most of them are babies, who are raised until the age of 3. What awaits them in these establishments? What kind of children leave such homes?

M. Kontareva, Hero of Socialist Labor, chief physician at the Moscow Home for Children No 12:

I have worked in the children's home for over a decade and I can say, and you can understand, that one cannot become accustomed to the tragedy of children. Every new ward who comes to us is our common concern, for in the same way that no compounds can be made as good as mother's milk, no boarding house can replace the family, and even less so the mother. These are probably genetic ties, for wherever a child may be, his first word is "mama." I must admit that despite the major psychological burden, nonetheless we, the personnel at the home for children, are happy, for the very first smile or word of the child is for us and, to the best of our efforts, we help the child take his first step in a life which, in general, will be difficult.

Reference: In 1986 there were four foundlings, 22 "rejected" children, and 16 children of parents who had lost their parental rights per 100 children housed in Children's Home No 12. The rest were children without parental custody. During the year no single round orphan was sent to the home.

I, M. Kontareva went on to say, am particularly concerned by that problem. When I first came here 25 years ago, as a rule single mothers, for whose benefit such institutions had been essentially created, came to visit their children. In other words, if not materially they at least participated psychologically in their upbringing. Today such visits are extremely rare. We are forced to summon the mother or the father. This is a disgrace, no other word would fit!

The question of the need to re-examine adoption procedures was raised in the course of the discussions. At present the child cannot be placed in another home if the mother has not lost her parental rights or has not given up custody of the child. No one can say when her conscience, her feeling of motherhood will awaken. Meanwhile, according to the law, the child must wait for her.

It is pleasing, M. Kontareva emphasized, that in recent years the attitude of the state authorities toward children's homes has been changing radically. However, despite the CPSU Central Committee and USSR Council of Ministers decree, the trade organizations are still not cooperating with us to make our wards be dressed no worse than other children. The situation with premises is poor. There are no standard facilities for treatment. Formalism and indifference in sponsorship work have not been eliminated and the cadre problem is urgent. Let me use this opportunity to turn to the respective departments with the request to raise the salaries of educators on night duty. The table of organization of children's homes must be consistent with the actual workload and requirements. Naturally, we must think of training some worker categories for work at children's institutions, such as cooks. This may seem of secondary importance but, believe me, when it comes to children, there are no petty matters. Finally, it is high time for the health care authorities in the rayon, city or settlement where a children's home is located to appoint someone specifically in charge of conditions in such homes. Such personal responsibility does exist in Moscow. I know, however, that this is by no means the case everywhere.

A. Likhanov. Is the development of children delayed even in the most ideal children's home?

M. Kontareva: Actually, I wanted to begin with this topic. Whatever we may do, there is "sensory hunger," there is inevitably a lack of contact. Contacts beyond our territory are very limited. Naturally, we organize trips, marches and visits to the circus, the theater and the zoo. However, these are only occasional events. As a result, our wards develop a more stereotyped way of thinking; psychologically they are less flexible and malleable than other children. That is why we beg to be granted on a regular basis the use of a microbus with which to take the children somewhere every day and thus to compensate for the lack of information.

R. Tonkova-Yampolskaya, dr of medical sciences, professor:

Marina Gurgenovna Kontareva said that work must begin at the maternity home to stop the mother from abandoning the child. In frequent cases, however, this is already too late. The mentality of the future parents must be shaped significantly earlier and, in any case, in the course of women's consultations. It would be better to start this even earlier, to teach the girls in school how to be mothers, to teach them responsibility. For the time being, however, this is not being done.

I shall also touch upon an entirely inadmissible phenomenon: Children's homes also include about 2,000 older children who cannot be placed anywhere else. There is a shortage of places in children's homes. Recently I heard for the first time a new term. We were in the Moldavian SSR, checking the condition of children's homes and, at the same time, looking over children's in-patient hospitals. The chief physician took us around the ward, saying: This child has pneumonia, that child has something else, and that other child is simply a "resident." Throughout the city there were 120 such "residents," i.e., children waiting for a vacancy in a children's home. You can imagine what happens with a normally developed newly born child in a hospital where he may



spend 6, 8 or even 10 months in his bed, looking at the white ceiling, deprived of any educational influences.

We asked: What steps have you taken? Their answer was, yes, we wrote to the oblispolkom and are now waiting. They promised us within the next couple of years to turn over to us the premises of a kindergarten, to reorganize them as a children's home and transfer to it our helpless "ownerless" "boarders." Meanwhile, however, they will probably become candidates for specialized children's homes for children suffering from damages to the central nervous system. Unfortunately, this is no exception. The same situation prevails in Saratov, Kalinin and Kursk.

Obviously, soviet, party, education and health care authorities must assume joint responsibility. No child must be "ownerless."

There is yet another problem. Finally, medical-genetic consultation offices have been opened in a number of cities. It is true that they are by no means numerous. However, we already have the possibility of determining at a sufficiently early stage of pregnancy the existence of a genetic defect. In any case, this makes it easy to detect Down's syndrome, which occurs in one per 600 to 800 newly born children, which is a rather high percentage. It can be detected when it is still possible to decide whether the woman will become or not become a mother. Although, naturally, from our viewpoint a mandatory abortion is not consistent with humane medical views. However, if it is clearly known that the child will be born defective, at least the decision could be considered. As a whole, poor interest is being shown in our country in the state of health of people who get married. Yet the organization of a system in which even before pregnancy a genealogical study would be made on a mandatory basis, taking into consideration the risk of a hereditary pathological condition in the children, would unquestionably yield results. Therefore, in order for healthy babies to be born, we must begin by raising healthy parents. Who should deal with this? Obviously, all of us. Therefore, this is not only a medical but also a social problem.

I. Dubrovina, deputy director of the Scientific Research Institute of General and Pedagogical Psychology, candidate of psychological sciences:

Our institute has made comparative studies of the specific features of intercourse, behavior, intellectual, personality and emotional-will development of children of different ages deprived of parental custody and their coevals raised in a family. The wards of a boardinghouse-type institution are not only behind their coevals but also take a specific path of development. "Zones of difficulty" appear in early childhood, and with improper work with children not only do not disappear with age but increase, worsening the negative aspects of mental and personality growth.

Thus, in the first year of their life such children are sluggish, apathetic and mistrustful. Their cognitive activeness has been lowered, emotional manifestations are weak and no attachment to an adult develops. In children aged 2 or 3 added to these are a reduced curiosity, slower development of speech and a lag in developing specific movements.

We are drafting special programs for the training and education of children in boarding houses, which could compensate defects in their development, caused by the lack of family. The end result of the training and upbringing should be to make such children not distinguishable from those raised in an ordinary school or kindergarten. However, different ways exist to achieve this if we bear in mind the entire set of psychological and pedagogical conditions of the life and development of children outside the family. What we urgently need is a unified comprehensive program for training and upbringing from the time the child is born to a certain age (16-18) which will enable us to ensure continuity in work with children.

Unquestionably, improving material facilities in children's homes is an excellent thing. However, the main thing must not be forgotten: human relations. The idea shared by many educators according to which "everything will turn out well as long as the child is healthy" is erroneous. It slows down a development which cannot be compensated subsequently, for it is not stipulated in any programs. Therefore, we must train special cadres to staff children's institutions of this kind. Naturally, it is absolutely necessary to include in the personnel of children's homes the position of psychologist (this actually applies both to children's homes and boarding schools) to judge the psychological development of the children and the consistency between age group requirements and the conditions, means, ways and forms of educating and bringing up children. Therefore, the efficient upbringing and education of children deprived of parental custody can be ensured only with the help of new cadres, new programs and new conditions and, above all, a new attitude toward such work. Today's roundtable meeting I consider not only a social order issued to us, scientists, but also a just reprimand for frequent cases of passiveness, alienation from life and inability to ensure the practical utilization of the results of our studies.

Comment: These statements show that the topic of childhood is, above all, one of adult responsibility. We are addressing the suggestions formulated here to the USSR Ministries of Education and Health in the hope that they will take the necessary steps for their fastest possible implementation. This particularly applies to the so-called residents of children's in-patient hospitals, who are the victims of criminal--no other word is possible--indifference which dooms the child to a most difficult life and which may, for many years into the future, perhaps, hinder the development of the child's personality. Unfortunately, many of the problems discussed here are typical of children's homes as well.

#### The Situation as Viewed by the Ministry

L. Balyasnaya, RSFSR deputy minister of education:

The RSFSR Ministry of Education is making great efforts radically to improve the organization of the protection of the rights of children and the activities of boarding house-type institutions. Thus, for example, a total of 1,396 inspectors in charge of the protection of childhood have been appointed in many rayons and cities; such inspectors are found in all children's institutions in the Kabardino-Balkar, Mordovian and Chuvash autonomous republics and Omsk, Penza, Tambov and Tyumen oblasts. This year the position

of school inspectors in charge of the protection of childhood will be opened in all rayons and cities in which a minimum of 75 children need state aid. All of this enables us to organize in these places the prompt identification and placement in children's homes and boarding schools children deprived of parental custody. Thus, whereas in 1980 60,500 such children were identified, their number increased to 69,300 in 1985.

In the past 2 years alone 45 boarding schools for orphans and for children without parental custody were opened; the number of places in children's homes was increased; 20 eighth-grade boarding schools were reorganized into secondary schools, which enabled us to place in them an additional 12,000 children.

Reference: 745 and 287 are the respective number of children's homes and boarding schools for orphans in our country; 84,000 and 71,000 are the number of their students. Another 94,000 attend conventional boarding schools; 729,000 children are wards of relatives. Every year about 100,000 children needing guardianship because of poor conditions in their families are identified.

The positive experience of the Tatanovskiy Children's Home, Tambov Oblast, the Syktyvkar Secondary Boarding School, the Sychevo Children's Home, Altay Kray and Children's Home No 1 in Novosibirsk, whose educational staffs are working with initiative and seeking new ways of doing their difficult job, was noted.

The RSFSR Ministry of Education, L. Balyasnaya went on to say, also took energetic steps to improve medical services to children. On its request, in 1987 the RSFSR Ministry of Health assigned to all boardinghouse institutions a total of 700 pediatricians (there were only 60 in 1986), which made it possible to meet the needs of the children's homes and boardinghouses for medical personnel.

Comment: These data may give the impression of total success. Bitter experience teaches us, however, that frequently the picture behind encouraging figures is unseemly. Such was the case here. Officials at the RSFSR Ministry of Education well know that many children's homes are located in buildings unsuitable for the purpose, inadequately heated, lacking proper hygienic conditions, sports halls and even open-air sports grounds. Ensuring the children with proper clothing and shoes remains an urgent problem; there is a shortage of technical personnel, and so on. There is a total of 437 sewing, carpentry and metal workshops in the 551 children's homes in the Russian Federation. However, in many of them the work is organized extremely poorly. Incidentally, the specialists are aware of this. The only question to be asked is the following: How could it happen that many boarding institutions in the RSFSR have operated and still operate without physicians? The editors hope to obtain a specific answer to this question from the RSFSR Ministries of Education and Health.



## The Situation as Viewed by the USSR People's Control Committee

Ye. Karmanov, inspector, USSR People's Control Committee:

In the past 4 years the committee has conducted three wide investigations of children's homes and boarding schools. No more than 20 percent of the children's institutions inspected in 1986 were found to be exemplary or good. Such is the real picture. I do not wish to claim that this ratio applies to all children's homes. The figures, however, speak for themselves. Following are several examples related to economic and management activities. If we speak of the children's habitat, as a rule it is in the nature of an orphanage, shelter or barracks. In frequent cases dormitories lack bedside tables, nailed-down rugs and shelves. Why? Because rugs collect dust and there are no vacuum cleaners or else the vacuum cleaners are broken and there is no one to repair them. And what would one put on a bedside table? Objects which adults consider unnecessary and which educators frequently forbid the children to keep. That is why we either do not purchase bedside tables at all or else order that they be kept empty, particularly before the arrival of controllers. However, whereas controllers come and go the children remain in this sterilized environment, which simplifies the work.

Let us consider the problem of clothing. Regardless of the reason, today our wards are dressed poorly, unattractively, slovenly. Meanwhile, substantial piles of overcoats, jackets, suits and shoes are stored in the warehouses of children's homes.

The question is the following: Why are the children poorly clothed while clothing surpluses exist? Let me make the following observation: The government has a list of clothing of some 27 or 28 items. With economical and careful management this would make it possible to dress the children well for the various seasons and hours of the day and for different types of activities. Things are different in practice. The children wear uniforms when they go to school and, out of school, instead of the regulation clothing made of cotton, they put on another uniform, only last year's, an older one.

Now a few words about food. We keep witnessing cases of substandard, unbalanced and monotonous nutrition. There have been also cases of thievery, shyly described as "underdelivered products." What can we say in this connection? In a boarding school the cook is problem number one and, frequently, person number one. People who have a good cook even hope to God that he will not leave for where could they find another one? They also try not to quarrel with poor cooks but it is from such cooks that they buy those same "saved" products. It is quite regrettable that the people's control groups as well are not always principle-minded on this subject.

There is talk that the government is drafting yet another decree on children's homes. At this point, unwittingly I am concerned by the following: Shall we be able to handle properly the additional funds which may be appropriated for food and clothing? One cannot build an entire policy relying only on the humaneness of the state. We must be able to work ourselves, to learn to manage. Best available experience confirms this fact.



## The Situation From the Director's Viewpoint

N. Chuvashева, director of Leningrad Children's Home No 53:

I had a mixed children's home in which children are raised from the ages of 3 to 19 and, sometimes, even beyond that. Sometimes we even send youngsters directly to the armed forces from the children's home or get them married. The trend today is not to separate relatives, for which reason we may have three, five and even, on one occasion, the record-setting figure of 13 members of the same family.

What are the problems I would like to discuss? The first is that if we now acknowledge the existence of "orphanage-type institutions," I would favor a children's home and not a self-sufficing boarding school. The world of contacts of our children is much broader, for they attend general education schools and make friends with their coevals. Other children come to visit us and we visit others. I do not simply favor children's homes but homes with a wide specialization. Look at the results. How often do we transfer a poor child from a children's home to a preschool children's home and later to a boarding school? It does not occur to us that he must adapt anew to each of these situations. If a 3-year old comes to me in a unified children's home I let go an individual at the age of 18. This applies to that same continuity mentioned by I. Dubrovina.

But a problem arises at this point. Where is the promised standard layout for a mixed unified general children's home? G. Aksenov, representative of the RSFSR Ministry of Education, who is present at this meeting, said that such a plan exists. We may eventually get it but, meanwhile, unfortunately, it is nowhere to be seen. Everyone is doing as best he can. Adaptations are made to turn a school, a boarding school or a combine into a children's home and the reconstruction of premises follows.

Second, we speak a great deal about the role of science but where is the scientific-methodical support in organizing the daily life of our wards? What do we have to work with in children's homes, whether mixed or other? What scientific works are available? I have been lucky, for my predecessor, before her retirement, left me a book on educational work in children's homes. It turns out that the latest book on such problems was published in 1955!

The next problem: A practical science conference on the topic of orphans was held in Leningrad. It was attended by representatives of the city's health department and the internal affairs administration, chairmen of rayon executive committees and party workers--all interested individuals.

They stood up on the rostrum, they all pleaded guilty. Meanwhile, I sat and thought: Is there anyone not guilty? Is it those who abandon the children? They do not seem to be guilty of anything. Nothing was said on their subject. I shall give the example of a family. At the time that a mother was being deprived of her parental rights she had three children and all three were sent to me. As long as those children were raised in our home, she kept giving birth every year to a mentally retarded child. Our law is humane but the question is this: humane for whom? It turns out that the humaneness in this

case applies to a drunk. An alcoholic cannot be denied the right to give birth. Such problems are being solved simplistically. What to do, however, when I am facing a mother of 13 children and all of them are being raised by me? I ask her: Why do you need so many? Her answer is an enumeration of the benefits which await her, for she has not officially abandoned her children and was even given additional living space because of them. No, dear comrades, we need some kind of legislation concerning the responsibility of such parents.

Today the state is doing a great deal to improve the life and health of children in orphanages. We are very grateful for this concern. Nonetheless, we show extremely little concern about how to reduce their number.

N. Chuvashева raised frankly and sharply the question of the role of the mass information media in solving this problem. The press, she emphasized, should not limit itself merely to exposing negative phenomena. It must encourage in people sympathy and love for orphans. Any child taken out of a children's home is a joint victory. It is only thus that we can put an end to this social ill.

#### The Scientists' View

A. Petrovskiy, full member of the USSR Academy of Pedagogical Sciences:

I find very valuable the view expressed by the director of the children's home. Namely, that mixed and unified children's homes offer a number of psychological advantages compared with other types of boarding institutions. Obviously, we at the USSR Ministry of Education, should think of developing the concept of a mixed children's home.

What was said at this discussion has provided some ideas on the state of affairs in children's homes, boarding schools and homes for very young children. Things were well put by competent people. It is true that a difficulty arises related to what we are told by directors who are able to surmount difficulties. Two questions arise, which I would describe by using the titles of familiar works of literature: "Who is Guilty?" and "What is to be Done?" Generally speaking, the guilty parties were mentioned here, more or less, and obviously the guilty are above all the parents who neglect their children.

The question now is what is to be done? In other words, what is it that must be changed? In my view, a number of very interesting considerations were expressed here, addressed to the state authorities which, obviously, must indeed change a few things decisively, through legislation.

D. Kolesov, Academy of Pedagogical Sciences corresponding member, director of the Children's and Adolescents' Physiology Institute:

On the assignment of the Presidium of the USSR Academy of Pedagogical Sciences, our institute made a study of Moscow boarding schools. I would like to discuss some of the results. The main problem, of course, is that of deprived children. The data of the comprehensive evaluation of the state of

health of pupils of boarding schools indicated that few among them are healthy, developing normally and with a normal level of bodily functions. This is explained by adverse social and genetic factors. Various manifestations of borderline mental retardation were noted in 56 percent of first to third-grade students. As a result, during the first 3 years of training, as many as 50 percent of the children are transferred to specialized institutions.

Consequently, we need a special regimen of life and education which, for the time being, the structure of children's institutions cannot provide. In all boarding schools dormitories are for 8 to 14 people. Just imagine that 14 other people are with you at all times. However, there is nothing that we can do, for we are short of premises. Therefore, we must develop a standard system which should be applied as soon as possible.

Ye. Karmanov. But is it not your institute that has had to approve such plans? Such plans had to be mandatorily coordinated with you and you did accept them.

D. Kolesov:

In its time, our institute dealt with the question of classroom attendance. We then issued the following instruction: You may be right but see to it that there are 40 students per classroom. As you know, our departmental instructions are frequently put above morality.

What specific recommendations are we suggesting? Let me cite a few among them. First, all boarding schools must be attached to a treatment-prophylactic institution of the sanatorium type, with special services--psychological, psychoneurological and guardianship and regimen, in connection with which it is necessary to review the standard tables of organization of boarding schools. Second, the way of life there must be organized in accordance not only with the age characteristics but the health of the pupils. Third, ideally classrooms must not exceed 15 to 20 students. Naturally, we must extend the period of grammar education by at least one year and create conditions somehow to encourage lagging students.

Let me remind you, however, that everything eventually has to do with money. If we wish seriously to help to solve the problems, let us speak in specific terms, for we are still applying the mechanism of residual financing of social needs, which is largely to be blamed for the social injustice against we are fighting.

M. Kondakov, president of the USSR Academy of Pedagogical Sciences:

I shall discuss one question raised by the director of Leningrad Children's Home No 53--the need to increase the scientific-methodical support of the work of children's homes. What has the Academy of Pedagogical Sciences done in this respect and what does it intend to do?

We have set up and it is now in its second year a special laboratory on problems of formulating and organizing training and educational work in



children's homes. It is headed on a voluntary basis by Albert Anatolyevich Likhanov. The laboratory is actively summing up the experience of work in children's homes. Second, today the forces of the academy itself are being concentrated on such work.

Currently the Institute for General and Pedagogical Psychology, the Institute of Children's and Adolescents' Physiology, whose director spoke here, and the Institute of General Pedagogy are seriously engaged in the study of problems related to organizing educational work in children's homes. Such work is headed by the Institute of General Problems of Education and the Institute of Preschool Education. Unfortunately, the latter does not pay the necessary attention to such problems. Speakers here also justifiably mentioned the need to increase cooperation with the Academy of Medical Sciences. What is the situation in this connection?

Together with the USSR Academy of Medical Sciences, for a number of years we have been carrying out comprehensive and extensive work based on the "Child and Health" program. I believe, however, that after our roundtable meeting we shall reach an agreement with the Academy of Medical Sciences so that problems of the protection of the health and physical development of children in children's homes become a special part of this program and subject to our prime attention.

I also hope that in the very near future we shall implement a series of steps to sum up the experience of progressive children's homes and publish works on such matters.

Ye. Karmanov. Let us look the truth in the eyes. Despite its understanding of the importance of the problem, the USSR Academy of Pedagogical Sciences has not developed efficient methodical guides. Today's manager of a children's home is forced to use an old manual for principals of boarding schools for children.... suffering from mental and physical retardation.

Comment: The statement made by the president of the USSR Academy of Pedagogical Sciences was clearly unconvincing. Actually, we believe, that to a certain extent it reflects the view held by the academy which, with the exception of a few enthusiasts, until recently virtually avoided any work on providing scientific-methodical support to boarding institutions. It is amazing that the only laboratory in the country on problems of organizing training and educational work in children's homes is headed by a nonscientist, who has voluntarily involved himself in this work thanks to his energy and feeling of responsibility to deprived children. On this level the process of restructuring at the Academy of Pedagogical Sciences is proceeding much more slowly than is dictated by life. Nor has the Academy of Medical Sciences truly involved itself with restructuring.

Insufficient Attention

L. Shvetsova, Komsomol Central Committee secretary:

In speaking of our role, the role of the Komsomol, naturally we do not reject responsibility for the insufficient attention paid to children without



parents. A number of problems exist in this area and we are to be blamed for the fact that for the time being, unfortunately, they are not being solved as they should.

Let me point out that we conduct investigations together with the People's Control Committee. In this respect our Komsomol press will work more energetically. It has accurately posed questions for general discussion and for decision making concerning institutions which are showing an admissibly callous attitude toward children. The Komsomol committees have been instructed to see to it that the interests and rights of the children are protected.

L. Shvetsova spoke of the Komsomol's sponsorship of children's homes. Thus, in 1986 university student detachments alone contributed 800,000 rubles to children's and young children's homes from their labor, for gifts and promoting sports and mass cultural work. In 1987, based on an agreement reached with the USSR Gosplan, 116 motor vehicles to be used by children's homes will be purchased with funds earned by the students. Every year the Komsomol committees give to children's homes and boarding schools collections entitled "gift" presented to every ward on his birthday and especially printed by Izdatelstvo Detskaya Literatura. The centralized purchasing and delivery through Komsomol committees to children's homes and boarding schools of sets of agitation-propaganda materials and libraries in aid to Pioneer and Komsomol aktivs were organized in 1986. Between 1987 and 1990 they will distribute sets of phonograph records, games, sports equipment, and materials for the development of technical creativity by children. During the winter vacation, every year 2,000 pupils from children's institutions take trips sponsored by the Sputnik system. Starting with 1987 1,000 such pupils will be given every year free travel vouchers to all-union hero-patriotic clubs. In 1985 "pedagogical landings" to children's homes and boarding schools were organized by graduates of pedagogical schools.

L. Shvetsova also emphasized that local Komsomol organs unfortunately still frequently fail to pay proper attention to orphans and to children deprived of parental custody. She said that those who fail to do so are strictly taken to task. Recently the Komsomol Central Committee punished Komsomol workers in Perm Oblast for callousness and indifference to the fate of such children.

Comment: Nonetheless, we believe that work with children could be significantly more energetic, comprehensive and lively. And who if not the Komsomol should assume sponsorship over the pupils in children's homes, who urgently need concerned and interested interlocutors and simply senior comrades. The lack of attention on the part of the rest of the world is one of the most distorted and painful phenomena encountered by such children and their educators. This is a tremendous opportunity for the display of energy and a manifestation of warmth by the young Komsomol hearts!

V. Yevdokimov, principal, Moscow Boarding School No 64, honored schoolteacher of the RSFSR:

I have been a principal for 14 years. During all that time our institution has been unable to solve the problem of personnel although discussions on the

matter have taken place on all levels. There was a discussion on recruiting personnel, pedagogical above all, at the rayon schools and even of launching a party call. Nothing, however, was done. Our boarding school is competing with day schools. Naturally, the people prefer the latter. I am the seventh consecutive principal of the boarding school. For a variety of reasons, my six predecessors had either resigned from day schools or else had been "assigned" from day schools to boarding schools, for which reason the boarding school is considered a virtual cesspool. Naturally, such cadre selection does nothing to strengthen the collective. Some of our personnel stay with us only because of high salaries, limiting their love for the children, spiritual generosity and goodness strictly to their working time. Meanwhile, we must be patient, for replacements are hard to find.

Here is another problem. We cannot say that we have all material facilities although this process is improving with every passing year. As to the human attention on the part of the organization--the members of the guardianship council, which works on an extremely formal basis, and the rayon party and soviet authorities--it borders on indifference. The guardianship organizations number more than 10,000 members and the institutes have assigned to us more than 10,000 students. Nonetheless, in the past 14 years we have been unable to solve the question of leaders, of a pedagogical detachment, of sponsorship of our production brigades by enterprises and student detachments. It is indeed true that many cooks spoil the broth. The number of circles and sections headed by members of such sponsorship organizations is declining. In 14 years of sponsorship "work," the Moscow Automotive Machine Institute has not set up in the boarding school a single section or circle. Our efforts to discuss the developing situation at party, trade union and Komsomol committees and organizations, which are members of the guardianship council, have not been supported. The excuse is that time is short. Nor has the Pervomayskiy Rayon Komsomol Committee found the time to discuss problems with us at a meeting of the aktiv or at a buro session.

M. Kontareva. Allow me to add a few words to this. We have three sponsors. However, we consider as true sponsors those who, regardless of the plan for joint work, hasten to come to our help when we ask for it. This applies to the collective of the Meteorological Service Scientific Research Institute. I have realized from personal experience that organizations which sponsor children's homes or boarding schools should not sponsor other institutions. Furthermore, the members of the guardianship council are, as a rule, officially approved by the party raykom. I believe that no one should be assigned such work without his consent, for no one can be ordered to be kind.

V. Yevdokimov spoke of the difficulties awaiting graduates of boarding schools in enrolling in an SPTU, a technical school or a VUZ. Because of the indifference displayed by the respective departments, 30 to 40 percent of the alumni cannot continue their training at an SPTU. They are forced to drop out and find jobs as best they can. The same happens to those who have entered technical schools or institutes. Is it impossible to figure out something to help them?

V. Mukhina, dr of psychological sciences, professor:

A great deal has been said today about the "sensory shortage." In addition to it, however, there is also an emotional hunger, the need for love, for positive emotions. In the family love for the mother is a prerequisite for the normal development of the child. There is a connection here.

Where there is no love alienation and a tendency somehow to compensate for it develop. Lack of love and the fact that every child should have a mother makes even deprived children idealize the mothers who have abandoned them. It is very important for the psychologist to orient the child not only to the past, during which the child was harmed, but also to the future. He must convince him that he will be happy, that he will have a family and that everything will turn out well if he adopts the right attitude. This is a great field of work for the psychologist.

Furthermore, children have a great need for a close contact with their educator! This has an exceptional value and yields great results. In short, the child in the children's home faces a number of problems.

Let me conclude by saying that, in general, those who work in a children's home must be ready for educational heroism. We must learn how to train such people. Naturally, their profession in the eyes of the public must become particularly prestigious. What is the situation today? In Moscow, for example, many people are working in children's homes for the sake of a residency permit. I do not wish to extend this judgment to all of them, for we do have outstanding educators. However, today we are not speaking about them. What is the attitude of young people toward work in a children's home? We asked students at the Moscow Pedagogical Institute imeni V.I. Lenin: Who of them would like to work in a children's home? Sadly, there were no takers. Is this not a matter for concern? Is this not a serious omission on the part of our public, press and Komsomol? In this connection, I would like to suggest that several institutes, starting with the Moscow Pedagogical Institute set up departments for training educators for children's homes, on the basis of a special selection system.

A. Likhanov. A new approach to the enrollment of students in educational VUZs is necessary. I still cannot understand why their main purpose is to train narrowly specialized people instead of educators. I would send graduates to homes for young children, children's homes, and special boardinghouses for mentally or physically retarded children and I would ask those who would like to enroll in a pedagogical VUZ if they have the right type of soul, heart, will and patience to assume such a burden and to help and save those unfortunate children, for otherwise they could destroy them.

Reference: Starting with the 1987/88 school year, seven pedagogical institutes in the country will be offering training for children's homes and boarding school educators, with an annual enrollment of 350 people. Starting with 1987, all of these VUZs will offer a special pregraduation course on "Features of the Organization of the Training and Educational Work in Children's Homes and Boarding Schools for Orphans and Children Without Parental Custody."



V. Gladyshev, chief of the Main Political Directorate, USSR MVD:

The USSR Ministry of Internal Affairs and its local authorities are also directly involved in the problems discussed here. I realized here that we are involved less than we should have with children's homes and boarding schools. Nonetheless, in our work on the prevention of juvenile delinquency, at a certain stage we asked ourselves: What is the situation in those institutions for children? I admit that the answer was not very encouraging. Every year the MVD authorities detain thousands of adolescents who have run away from children's homes and boarding schools. Such a large number of runaways is an alarming indicator of poorly organized educational work.

The inadequate development of the network of children's homes adversely affects the prevention of child neglect. Every year the reception and assignment centers of the RSFSR accept some 10,000-14,000 children who need state support and who must be placed in children's homes. As a result of lack of space, however, more than 600 to 700 children must be kept in such reception centers longer than the stipulated time. This is a flagrant violation, although forced, of socialist legality.

The heads of local internal affairs authorities have now been ordered to visit children's homes and boarding schools not occasionally but on a steady basis, to talk with the pupils and to organize circles and competitions. In short, we have returned to the tradition started by Feliks Edmundovich Dzerzhinskiy, a time when the VChK and the Soviet militia were sponsoring neglected children or pupils of children's homes and other problem children, as we know them, during the difficult years. The MVD Collegium and Political Directorate adopted a resolution in December 1985 on involving in such work all subdivisions and internal affairs authorities throughout the country.

V. Gladyshev then described the extensive work done by the militia in this area. Thus, the internal affairs authorities in Orenburg Oblast are sponsoring all children's homes and boarding schools where detachments of young friends of the militia have been created, and actively participate in legal propaganda and provide individual tutorship.

Finally, in his view, a law on the protection of childhood should be passed. He fully supported the views which were expressed in this connection. Actually, what develops here is a paradox: There is a strict law on the struggle against drunkenness and alcoholism. If a party member violates it he may be expelled from the party. All of this is right. However, there is virtually no punishment for those who abandon their children. Parents must be held responsible for such actions. Meanwhile, as was said at this meeting, the more children are abandoned the better some people live. How could such an injustice be tolerated?

Solving Problems Together

A. Likhanov:

I believe that I am right by saying that the children's home is the center of many human qualities. The positive ones are goodness, warmth and



selflessness. In the children's homes, particularly during the war years and to this day, there has been a galaxy of outstanding educators and noteworthy people at work. Let me mention at this point Antonina Pavlovna Khlebushkina, principal of the children's home in Tashkent. She came to the home with her 3-year old son in 1942 and told him: These are your brothers and sisters. Since then Antonina Pavlovna has raised 6,300 children and in Tashkent alone 40 people bear her family name. There are 40 Khlebushkins. Let us honor such educators. They are the pillars of the children's homes.

In thinking about all these children, I believe that we must frankly say that we must not entrust responsibility for them exclusively to the Ministry of Education, the Komsomol or the internal affairs authorities which, alas, must deal with increasing frequency with the wards of such homes. A new social structure is needed, an organization which would open the doors of children's homes to society and, I am confident, a door which would be crossed by many citizens of our fatherland. An All-Union Society for the Protection of Childhood could be organized as such an organization. Why not call for establishing such an organization today? Let us also jointly discuss yet another problem. Soon after Vladimir Ilich Lenin's death a foundation named after him was set up in our country. Now, during the year of the 70th anniversary of the Great October Revolution, I suggest that the Children's Foundation imeni Lenin be reopened. I am convinced that this will meet with the warmest possible response among the Soviet people. Let me give an example in this connection. A man A. Galimzyanov lives in Kazan. He is a clerk in a store. He collects food waste for pig slop. The money thus earned he passes on to the children's home. Thus, in a few years he has contributed more than 20,000 rubles to the home. What an outstanding example this is of goodness and selflessness!

We should not make the state responsible for everything! Our civic and human duty is to help the state wherever possible and, above all, to share with it responsibility for children who may have been abandoned but who are the children of all of us.

Finally, let us consider what awaits an adolescent outside the children's home. Unfortunately, his future is frequently uncertain. The main thing is for him to feel that he is needed. This may be the most important key to the solution of this problem. If an adolescent knows that after the children's home his minimum requirements will be met he will be able to develop his own dream, which he does not have today, for he has no confidence in the future. He does not even think of a future. Nothing could be more terrible than this.

In this connection, I would like to describe in general features a social experiment which our laboratory at the APN tries to carry out in Kirov. The Electrical Machine Building Association imeni Lense in that city is ready to build a new-model children's home not far from the city. This being a big enterprise, it offers a rich choice of employment. It equally needs physicians, cultural workers, and electronic specialists. It would be desirable for the other large industrial enterprises to show such initiative. In my view, this applies to the children's home of the future, which would enable us to solve many of the problems which were mentioned today.

I. Mudragey, former pupil in a children's home, war veteran, teacher at the Moscow Engineering-Construction Institute:

We can only welcome such an initiative. It is a good thing that we are turning to the experience of our outstanding pedagogue Makarenko, for his pupils were engaged in making not little stools but complex items such as the FED-model camera.

A. Likhanov: Yes, this is the best photographic camera in Europe. In the new-type children's home we try to develop above all human living conditions. There are no more than four people per room and there are halls, classrooms and premises offering all opportunities for physical and esthetic development, a swimming pool, a sports hall and a stadium.

This is the children's home of an industrial enterprise, and part of the plant's structure, considered as one of its shops. In this way, from the very first days the plant sponsors the children. What obligations does it assume? It guarantees the social future of the individual. The child who comes here will know that after the children's home he will be taught a skill and given a job and, if he wants to, a scholarship for a VUZ. Such a model of children's home is currently under discussion. The main thing is for this social experiment to take place.

L. Shvetsova:

I support this good idea which must be developed further. The people of Kirov have launched the initiative of building a children's home at an industrial enterprise and to create in it the necessary conditions for its wards to acquire a skill and a career and immediately join the labor collective sponsoring them. This is an excellent sociopedagogical experiment. The Komsomol will participate in it most willingly.

Today all of us must think of how, through our joint efforts, to support the party's stipulation of radically improving the work of children's homes. This will be possible only if every one of us takes to his heart the problem of raising children left without parental custody.

Editorial note: This meaningful exchange of views at the roundtable meeting enabled us not only to learn more about the situation in boarding institutions but also shed a light on their urgent problems, such as poor material and technical facilities, grave shortage of pedagogical cadres and technical personnel, and the callous attitude toward the needs of the children on the part of various organizations and departments.

The need for the soon as possible solution of such problems, which will determine the moral and physical health of hundreds of thousands of children, is unquestionable.

A number of interesting and constructive suggestions were made in the course of the discussion on radically restructuring the activities of children's homes and boarding schools, creating an essentially new uniform type of such institutions and training special staffs for them. The demand was also heard

for taking strict legal steps against those who irresponsibly abandon their children. Such demands are entirely justified. However, we must not forget that orphanhood today is the direct result of a type of deafness to social problems, a social corrosion which has adversely affected the overall mood of the public at large and the heads of many departments, which could be traced for the past few 5-year periods. Gradually value orientations shifted and the spiritual qualities of our people were eroded. That is why the main thing today is to ensure an improvement in the moral health of society and the creation of an atmosphere of intolerance of phenomena which conflict with our communist morality, and becoming actively involved in the lives of children. On this level an All-Union Society for the Protection of Childhood and the Children's Foundation could play an important mobilizing role.

The editors express their confidence that the problems raised in this journal will be thoroughly studied by the USSR Ministries of Education and Health, the USSR Academy of Pedagogical Sciences, the Komsomol Central Committee and other interested departments and organizations, will draw the attention of the USSR Council of Ministers Social Development Bureau and be solved through legislation and active organizational work.

There must not be even one deprived and neglected child in our society, a society of socialist humanism!

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#### SAFE DEVELOPMENT OF THE TECHNOSPHERE

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[Article by Valeriy Alekseyevich Legasov, first deputy director of the Institute of Atomic Energy imeni I.V. Kurchatov, academician, member of the USSR Academy of Sciences Presidium]

[Text] Improving safety has always been one of the leading concepts in human activities. As civilization developed, the influence of the different factors strengthening the existence of human communities brought about qualitative changes in the way of life and the nature of organization of public production. Thus, the need for protection from the adverse influences of nature encouraged construction skills which, in turn, created the need for new materials and power sources. Epidemics, which accompanied the increased size of the population and its density in individual areas, led to a radical improvement in hygiene and made the fast development of medicine and the pharmacological industry necessary. This improved the protection of man. At the same time, technical systems were developed whose combined effect as of now can contribute not to lowering the risk threatening human life but to its increase. This circumstance is most clearly realized in terms of the military aspects of the problem. The experience of two world wars, contemporary regional conflicts and the nuclear arms race most clearly prove that stockpiling of means of destruction diverts intellectual and material resources from the solution of vital problems while, at the same time, increases the risk of nuclear catastrophe. That is precisely why the initiatives of the Soviet leadership, aimed at basing the security of all countries and areas on principles other than the growth of means of mass destruction, have met with such broad response throughout the world. Naturally, the struggle for the implementation of such initiatives and for the prevention of the most global threat is primary from the viewpoint of mankind's further progress. However, the accumulation of a potential, fraught with the danger of lowering the level of security which had been attained, took place not only in the manufacturing of weapons but in the technosphere as a whole, which also demands a profound interpretation and energetic efforts with a view to perfecting industrial structures.

The recent development of certain events has begun to concern both specialists and the public. They include acid rain, the use of various toxic chemicals, the pollution of seas, lakes and rivers, unsuccessful solutions in situating



industrial enterprises, and accidents which cause mankind casualties and major damages. On each occasion the attention is focused on the specific case and the specific type of human activity or source of difficulty. As a result, the steps taken in any specific area may improve the situation but then this is immediately followed by another event somewhere else.

Through the efforts of specialists the reliability of individual machines is being steadily improved; new technological and organizational facilities for the protection of man and the environment are being introduced. Nonetheless, despite a certain improvement in individual indicators such as, for example, the number of accidents per 1,000 working people or per unit of cost of produced commodities, the absolute number of such accidents is increasing. Thus, in the United States accidents in petroleum refining increased by a factor of 2.6; the number of casualties increased by a factor of almost 6 and economic damages by a factor of 11 between 1950 and 1980.

A characteristic trend of the contemporary world is that although the likelihood of any individually considered negative event (airplane, train or ship accident, the collapse of a dam, an accident at a chemical plant or a nuclear project) the scale of the consequences, whenever this happens, is, as a rule, substantially higher. Indeed, whereas in the 1940s dozens of people died in dozens of airplane crashes, today much less frequent, isolated crashes take hundreds of lives. Fires have long accompanied human activities. However, with the development of petrochemistry and the gas industry, they are now paralleled by explosions which drastically increase the size of damaged areas and the scale of consequences. Thus, in 1973, on a Sunday in May a breakdown occurred in Chicago, in the main industrial area, at manufacturing of newsprint ink. Fires broke out and an explosion destroyed the plant to the ground. Ten years later, in November 1984, fires and explosions in a depot for compressed gas, collected as part of the petroleum refining process, in the San Juan Ixuatepec settlement, a northern suburb of Mexico City, spread outside the enterprise, totally destroying everything within a 1-kilometer radius. The result was 500 dead and several thousand injured.

Such dynamics is characteristic of the developing chemical industry as well. The release of 2-2.5 kilograms of dioxin in an explosion which occurred in July 1976 at a chemical plant in the Italian city of Seveso, contaminated an area of 18 square kilometers and required the evacuation of about 1,000 people. The poison contained up to 7,000 lethal doses. To this day the area remains contaminated. In the summer of 1981, as a result of an accident involving a trailer truck transporting chlorine, in Mexico, 29 peasants died and 1,000 people suffered severe poisoning. In 1984 the entire world was shaken up by the tragedy in Bhopal (India) which caused the deaths of thousands and tens of thousands of people suffered severe pulmonary afflictions. In July 1986 a fire broke out in tankers containing phosphorus and sulfur in the United States, which required the evacuation of about 30,000 residents of nearby settlements.

In the night of 1 November 1986 800 tons of various chemicals started burning in warehouse No 956 in Muttensz, on the banks of the Rhine, 5 kilometers from the center of Basel. Some of them had been toxic to begin with, while others, after many hours of burning, developed reactions which produced toxic

substances. Many such compounds, either stored or created during the accident, fell into the Rhine, polluting the river on a section more than 300 kilometers long. It became necessary to remove more than 150,000 dead eels, and there were reports on dead pike, graylings, perch, trout, herons, ducks, swans, cormorants, plankton, algae, crabs, worms and insect larvae. The normal activities of 20 million people were disrupted. According to estimates, which must be thoroughly studied and refined, no less than 10 years may be needed before the condition of this river and its population has returned to normal.

The new types of human activities, which compensate for the shortage of energy and helped to improve fertility and to preserve harvested produce, also bring new dangers, the dimensions of which follow the same trends. Whereas in the radiation accident at Sellafield (England) in 1957, 13 people died and about 500 square kilometers were contaminated with radionuclides, the 1986 Chernobyl accident cost 30 human lives and several thousand square kilometers of territory were severely affected.

Unfortunately, accidents continue to occur also in traditional and long developed areas of human activities, such as coal mines and elevators. Every year several dozens of explosions at grain elevators occur in the United States. Each one of them is a major and unpleasant event. It is caused by the explosive burning of a layer of dust rising in the air. The explosion itself increases the amount of such dust and thereby the scale of secondary explosions and fires. Each such accident takes the lives of 20-30 people, with damages assessed at \$25-30 million, in addition to the indirect influence which this has on grain exports and imports and grain prices.

What is noteworthy is that in a number of cases breakdowns causing exceptional economic and, sometimes, social and political harm take place. Thus, as a result of the space ship Challenger, not only were 7 human lives destroyed but so was a very expensive reusable ship; many of the planned programs came to a standstill, new studies and development and changes in the technology for building such ships became necessary. The severe accident which involved the melting of the active zone of the reactor at the 3 Mile Island nuclear power plant in the United States, in 1979, did not affect the life and health of the personnel; however, the indirect damage it caused exceeded \$1 billion. Furthermore, this undermined the confidence in nuclear power and hindered its development. It became necessary to revise a number of views and to take steps to increase safety in all operating nuclear power plants, adding to the cost several tens of millions of dollars per plant.

Nor was the damage caused by the Chernobyl accident limited to the loss of life and billions of rubles spent in repairs. The ordinary rhythm of economic life of large areas and many units of state management were disturbed for several months; a large number of managers, researchers, specialists, construction workers and medical personnel had to be diverted from their plans and current assignments. Substantial amounts of construction equipment and transport facilities had to be used for unplanned operations.

Unfortunately, the number of such examples, which darken our lives, is high. The fact that the danger originating in the technosphere has already been

equated to negative natural events is of substantial significance. Thus, tornadoes, which are atmospheric anomalies, number as many as 700 every year. About 2 percent of them cause the death of an average of 120 people, striking an area of approximately 2.5 square kilometers in each case and causing material damages on the scale of \$70 million. At the same time, in petroleum refining alone, according to our estimates, there are some 1,500 accidents every year, 4 percent of which involve the loss of human lives (100 to 150) and material damages of up to \$100 million.

All of this triggers natural questions. Why is it that despite efforts to increase the safety of equipment accidents continue to take place? Why is the scale of their consequences increasing?

Modern complex production facilities and machines are designed in such a way as to make their reliability maximally high on the basis of the existing understanding of the nature of dangers and the technical and economic possibilities of preventing them. As a rule, designs and operational rules, put together, could guarantee the safe work of a project if there were no defects in the manufacturing of the equipment and in the level of reliability of an individual machine unit or instrument, and if there were no deviations from the stipulated operational rules caused, for example, by the use of different raw materials, the conduct of experiments or human error. Aware of the inevitability of such defects, designers and engineers have developed a variety of systems which would block the possibility of a breakdown in cases of deviations from normal operational procedures. However, the reliability and efficiency of the protective systems themselves are also finite and subject to technical breakdowns and errors in their utilization. That is why two and sometimes three and four backup systems are installed. However, all of them, while making the machine or process more complex or more expensive, can only lower the risk of a breakdown and the likelihood of catastrophic consequences should the equipment fail or the personnel make an error, in some cases very little, but nonetheless never to the zero point. A zero risk is possible only in the case of systems which do not store energy and chemically or biologically active components.

Many modern potentially dangerous production facilities are designed in such a way that the likelihood of a major accident in them is assessed in the order of  $10^{-4}$ . This means that as a result of an adverse development of circumstances and taking into consideration the actual reliability of mechanisms, instruments, materials and personnel, there would be a breakdown per 10,000 project/years. If the project is isolated, it is extremely likely that during that time it will present no danger. If there are 1,000 such projects, each decade we could expect the destruction of one of them. Finally, if the number of such projects is close to 10,000, statistically there would be an accident per project once a year. This circumstance is one of the reasons for this problem. If a project has been built in accordance with available technical facilities and regulations and is considered quite reliable it would lose its statistical reliability as a result of mass duplication although its physical appearance would remain unchanged.

This dictates two possible strategies of behavior. Either providing the equipment with surplus reliability based on future developments, at the time



of its creation, or else making the necessary changes which would increase reliability to the extent to which the scale of its utilization is increased. In practical activities neither of these strategies is fully observed as a rule. The developed equipment must earn its economic right to life. The cost of excess reliability hinder this and, furthermore, the necessary technical facilities are not always available at that moment.

The second strategy is used but with great delays in pace, for the already existing production infrastructure has a sufficient built-in inertia, and a system of standards, established technological operations and cooperative relations, experience and habit prevent changes in design and the rules of training and operating such facilities become factors which slow down the pace of development. Furthermore, understandable problems are created by additional reliability costs.

This can be illustrated by the following example: less than 100 cracks caused by corrosion in heat-affected welded seam area on pipes were recorded in 1975 at nuclear hot-water reactors in the United States. Not a single crack was found on the main pipes with a diameter in excess of 510 millimeters. In 1983 the number of such defects increased by a factor of almost 6; about 200 cases were detected on large-diameter pipes. This potentially exceptionally dangerous situation required constant ultrasound defectoscopy, and many hours of repairs in weld facing, long idling of reactors and additional exposure of the personnel to radiation in the course of control and repair operations. The radical change of this situation would require the comprehensive replacement of pipes, the cost of which would be huge. In Japan and the FRG initially this problem was solved with the use of seamless pipes made of high-grade steel, which were totally free from such defects.

The difficulty and contradictory nature of the developing situation is also due to the fact that many achievements of scientific and technical progress, while providing means for solving material and social problems, also bring with them new difficulties and dangers. The discovery of radioactivity and the understanding of the process of nuclear fission substantially increased the possibilities of the power industry, medicine and scientific research. At the same time, however, radiation was added to the customary dangers, such as fires and explosions. The progressive development of chemistry created the very serious threat of poisoning.

In the traditional sectors, in introducing new processes and ways and means of influence, scientific and technical progress broadened the range of factors from which protection is needed. In metallurgy, where the threat of fire has always been present, the threat of explosion arose as the result of the use of natural gas and hydrogen. In addition to fires and explosions, which parallel petroleum refining processes, in this sector the danger of poisoning increases, caused by the variety of the manufactured products and the use of new methods. Even in machine building, new materials and means of processing them create the threat of explosion and poisoning, which were previously unknown in such activities.

Occasionally, the new processes and new combinations of substances, developed as a result of scientific and technical progress, are used regardless of the



factor of scale and without proper study of safety problems. Thus, in 1977, 1980 and 1982 powerful explosions which led to the loss of human life, destruction and damages in the millions occurred in Scotland, in Barking, a London borough, and in Salford, not far from Manchester. The agent which triggered such explosions turned out to be sodium chlorate, which revealed its dangerous qualities if used in the dozens of tons and possible contacts with organic solvents which oxidize easily. The number of such combinations capable of forming explosive mixtures when interacting is growing increasingly.

The increased scale of the consequences of such accidents is also the result of the specifics of scientific and technical progress at the present stage. The power-labor ratio in society is continuing to increase. There is a concentration of projects saturated with energy and using dangerous substances. Their unit power is being increased in order to improve economic indicators. Pressure levels in basic industrial equipment and transport systems, the network of which is becoming increasingly widespread, are increasing. In the power industry alone, every year about 10 billion tons of nominal fuel are extracted, transported, stored and used throughout the world. In terms of its energy equivalent, this amount of fuel, which is flammable and explosive, has become commensurate with the amount of all nuclear weapons ever made. Changes in the structure of fuel supplies, leading to the increased use of liquid gas, with a parallel increase in the capacity of production facilities which extract and utilize such fuel, have substantially increased the risk of major explosions.

Computations and practical experience indicate that a 20-ton mass of compressed gas could set up a fire covering an area of 1,000 square meters; 20,000 tons of such fuel would greatly increase the area of conflagration and the flames could reach several kilometers. Let us recall that a thermoelectric power plant generating a power of 1 million kilowatts uses 20 tons of gas in 5 minutes and that 20,000 tons of such gas is a 4-day supply. With the fast burning of gas emissions in the zone of a burning cloud, the temperature rises highly. An idea of the nature of resulting destructions is provided by the accident with a truck trailer carrying propylene gas, which took place near Barcelona on 11 July 1978. The burning cloud which was formed drifted to a nearby beach and killed more than 150 people.

The increased scale and concentration of output have increased potential dangers. This can be judged by specific (either based on unit of area or per capita) amounts of lethal doses contained in various items produced in Western Europe. Thus, the figure for arsenic is about half a billion doses; it is 5 billion doses for barium. In terms of lethal doses, accumulations of radioactive substances exceed 10 billion; phosgene, ammonia and prussic acid are in the range of 100 million doses for each compound, and chlorine, 10 trillion doses.

Such figures clearly explain the general concern for ensuring the safe operation above all of chemical enterprises and nuclear projects. Let us also add that unlike destructive explosions, radiation and chemical contaminations have a specific long-term effect and the ability to spread after the accident.

The development of circumstances is such that frequently the conversion to new raw material bases or means of production, dictated by resource or economic considerations, worsens the situation. For example, the development of the exceptionally rich deposits of natural gas by the Caspian Sea, convenient in terms of consumers, involves the additional risk of releasing a tremendous amount of toxic hydrogen sulfide, for its content in the natural gas in such deposits is abnormally high, exceeding 20 percent. Consequently, the technology itself for the extraction and treatment of this gas and its operation should observe particular safety rules. Another essential circumstance which increases the risk of industrial activities has to do with the increased concentration on sites of a variety of projects and industrial facilities and their interaction in cases of accident. The aspiration to achieve the highest possible economy and ensure the maximal utilization of investments already made in power industry, transportation facilities and living conditions in any given area lead to its saturation with a variety of enterprises without a proper study of their interaction. It may also happen that an accident in any one of them may not be very significant had it not been for its influence on the nearby industrial projects, with a possible multiplication of the force of harmful factors. For example, in 1947 an ammonium nitrate explosion occurred aboard a ship at the port of Texas City (United States). The flames reached a plant belonging to Monsanto, which manufactured styrene; it triggered a secondary fire and an explosion in the direction of the city. This resulted in the loss of 516 people; some 2,000 more were severely hurt, not to mention the major material losses this caused.

The interaction among different enterprises is, incidentally, a factor of strong influence not only in the case of accidents. It has long been noted that if the thermal pollution of rivers by several degrees and chemical pollution at close to maximally admissible concentrations, fish and microorganism can survive; their combined effect, however, is deadly.

Frequently in designing and building new production facilities, no statistical evaluation is provided of the reliability of their elements and their safety is assessed on the basis of a method which cannot cover all possible situations. In the case of projects which are usually large and power saturated, even unlikely accidents may lead to unpredictable consequences.

The purpose of this presentation was to illustrate the fact that the extant and developing technogenic area conceals substantial potential dangers which could have catastrophic results either as a consequence of deliberate, say military, destructions of areas of higher industrial density, or else as a result of unpremeditated actions. The natural trends of scientific and technical progress, related to a fast renovation of equipment and management systems and structures, with the maximal utilization of working areas and the acceleration of all technological operations objectively complicate the interaction between man and the ever-growing and rapidly changing fleet of machinery. This explains the reason for rather frequent accidents despite the increased reliability of technical systems.

The study of the reasons and of the course of development of major accidents indicates that, regardless of time, type of industry and area, they prove to be strikingly coincidental if we ignore specific technical details.

Usually, accidents are preceded by a stage of increased defects in the equipment or deviations from normal procedures. The length of this phase may be measured in minutes or days. In themselves, such defects or deviations are no threat. At a critical moment, however, they may be fatal. During the Bhopal accident, for example, refrigeration systems containing methylisocyanate were turned off; the pipes connecting such capacities with absorbers of toxic gases became unsealed; the torch which was to burn them in case of accident was turned off. Prior to the Chernobyl accident as well some safety systems had been disconnected and the active zone of the reactor was deprived of the mandatory minimum of neutron-absorbing rods. The accumulation of such deviations from the norm at this stage is related either to the impossibility of monitoring the work of structural elements and materials caused by the lack of necessary diagnostic instruments or else, as is much more frequently the case, the fact that the personnel has become accustomed to such deviations, for they are quite frequent and, in the overwhelming majority of cases, do not result in accidents. That is why the sense of danger is dulled, instruments and equipment repairs are postponed and work goes on under dangerous conditions.

The next phase is triggered by an starting event which, as a rule, is unexpected and infrequent. In Bhopal it was caused by the release of a small amount of water through the slide valve into the tank containing methylisocyanate. This created an exothermal reaction which was accompanied by a fast increase in temperature and pressure in the methylisocyanate. In Chernobyl it was introducing a positive reaction in the active zone of the reactor. This resulted in an instantaneous overheating of the heat-releasing elements and the heat carrier. In such situations the operator has neither the time nor the means of taking effective steps.

The accident itself takes place during the third phase, as a result of the fast development of events. In Bhopal it was caused by the opening of the reflux valve and the release of toxic gas in the atmosphere; in Chernobyl, by the collapse of the structure and the building as a result of the steam explosion, intensified by auxiliary chemical processes, and the spreading of the accumulated radioactive gases and parts of the dispersed fuel beyond the limits of the fourth block. The final phase would have been impossible without the accumulation of errors in the first stage. Usually, the designers take into consideration such unlikely triggering influences and the necessary protective systems are installed to prevent their happening. The loss of their functionality during the first phase and the continued operation of the project create the possibility of the development of catastrophic consequences as a result of technical malfunctions or human error.

A close study of statistical data indicates that although more than 60 percent of accidents have been the result of human error, the predominant share of funds spent on safety went into perfecting the technical systems for control and for the prevention of such situations. The aerospace industry was the exception. Here historically great attention has been paid to the choice of personnel and their training and retraining with simulators, medical observations, discipline, material incentive, comfortable working conditions and the development of automated systems for supporting the work of the crews and the ground services.



Other sectors began to make serious use of and to improve on the experience of the fliers only starting with the end of the 1970s. Usually, when the human factor or the interaction between man and machine are mentioned, matters are reduced to the questions of discipline and training of the personnel and their responsibility, and the accuracy with which instructions and orders are obeyed. Naturally, all of this is quite important. However, a thorough study of accidents indicates that the center of gravity, nonetheless, is in the management area, where the human factor is the most essential. It becomes clear that the instructions themselves were either not entirely accurate and did not stipulate and, in some cases, could not stipulate rules of behavior in the case of unusual circumstances, or else that familiarity with such rules was not tested. On frequent occasions lack of discipline and technological errors have been the results of established customs, and lack of operative ties with competent specialists, unavailability of the necessary simulators and lack of knowledge of the possibilities of the personnel, or lack of clear ideas on the consequences of faulty actions.

The saturation of the national economy with potentially threatening production facilities requires a qualitatively new approach to safety problems. This new quality must be developed above all through the search of optimal solutions in the area of human-machine interaction and their efficient implementation. The creation of the necessary simulators with developed computer support, reduced amount of information, introducing greater variety in the means used for its presentation, increasing automated and semi-automated support of machine operators, the introduction of technical systems for the prevention of unsanctioned activities and increasing the possibility of monitoring the condition of the equipment with the help of remote control devices should all become standard features of any complex process.

Another major development is changing the approach to the principles governing the location of various production facilities and determining their structure on the basis of safety. The reciprocal influence among different projects is becoming increasingly essential and the economic harm caused by accidents caused by the concentration of different enterprises could outstrip the benefits of the proximity to a raw material base or transportation convenience. In order for problems of situating industrial projects to be solved optimally, cooperation among specialists in different areas is needed, making it possible to anticipate the influence of different factors, including factors which are not specific of any given production facility, and contemplating the most extensive utilization of mathematical modeling methods. This is a very important question, for the practice which has developed in our country is such that the departments of the Gosplan and the USSR State Committee for Science and Technology and the authorities in charge of project safety are staffed by specialists who have knowledge and experience in a specific area of technical activities. It is within the framework of this experience that concepts are developed on possible dangers, steps to prevent them and principles governing the location of enterprises. Interaction with projects located in the vicinity is ignored. This deprives such decisions of the necessary completeness and optimality.

Since the end of the 1970s, a number of countries have set up general industrial safety centers, which combine global experience, study the role of



previously unknown factors, instruct people and identify the most dangerous areas.

In our country such activities must be substantially improved. The absence of a unified and integrated approach to ensuring the safety of any given area, and the division of responsibility among departments and social groups result in the adoption of non-optimal solutions and in lengthy debates lacking standard criteria which would enable us to compare various approaches on the basis of ensuring minimal risks to people and nature.

The new serious threats which have been brought about in our lives by scientific and technical progress should not lead to a loss of confidence in the usefulness of developments under way. What matters is a proper knowledge of the nature of the problems which arise and finding means of solving them. As Hemingway wrote in his novel "For Whom the Bell Tolls," "safety means knowing how to avoid danger."

In a number of cases, avoiding danger through traditional methods--by increasing control systems, duplicating safety backup systems and developing means for localizing accidental effluents--are becoming difficult to apply because of possible technical breakdowns or human error. This makes exceptionally urgent the task of developing potentially dangerous industrial projects on the basis of qualitatively new principles such as to ensure the development of equipment with built-in safety systems, which would substantially reduce the consequences of faulty actions. Usually, this would apply to a technological system any deviations within which from normal functioning would be a signal for automatic correction, without the use of external systems or would stop the process, thus excluding the very possibility of the further worsening of an accident situation. This quality could be provided by properly selecting and combining the physical and chemical properties of the functional environment and structures. Fast melting fuses in electric power grids, melting nuclear reactors, which lose their critical point in boiling, and the use of fuel capsules are the simplest examples of this type of approach.

In a number of cases basic changes must be made in production methods, aimed at excluding high pressure and temperatures or use of quickly oxidizing and corroding materials. The scientific laboratories have already developed adequate knowledge which would make it possible, without lowering productivity, and through the use of new catalysts and intensifying agents and the use of plasma and electrochemical methods, radiation stimulation, cryotechnology, and separation membranes to initiate the necessary technological changes. In order to accelerate this process the public must be properly and extensively informed of the importance of ensuring safety. We need knowledgeable and objective information on the complexities created by the contemporary technosphere and standards in handling it. So far the respective organization are lagging in this work.

In order for scientific and technical progress, which has already proved its power and very great possibilities, to continue to serve mankind, the joint efforts of specialists in all areas of knowledge are needed, concentrated on the safer and more reliable utilization of its achievements. Considering the

variety of problems and scientific disciplines involved in their solution, such efforts must be undertaken within traditional institutions responsible for technological progress and in special general industrial safety centers. Increased studies in the area of safety and new approaches to the structuring of technological systems will provide the possibility of further technical development with fewer risks. Furthermore, today we must realize that life in the technosphere as it exists demands particular responsibility by every member of society. "The harsh lesson of Chernobyl to us is," M.S. Gorbachev said in his 14 May 1986 speech on Soviet television, "that under the conditions of the further development of the scientific and technical revolution problems of reliability and safety of the equipment and of discipline, order and organization are assuming prime significance. The strictest possible requirements everywhere and in everything must be introduced."

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## THE SOCIALIST COUNTRIES AT A CRUCIAL STAGE IN GLOBAL ECONOMIC DEVELOPMENT

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[Article by Oleg Timofeyevich Bogomolov, academician, director of the USSR Academy of Sciences Institute of Economics of the World Socialist System]

[Text] The economy of the socialist countries is experiencing profound changes caused by contemporary technical progress, the new requirements of socialist society and changes in the global economy. The scale and complexity of what remains to be done are becoming ever clearer and multidimensional if we consider the socialist countries against a global background. This becomes even more justified by the fact that the contemporary world is distinguished by a growing political and economic interdependence in the development of the individual countries, regardless of differences in their socioeconomic structures. We must also bear in mind that restructuring is taking place at a crucial stage in the global economic process.

The positions of the socialist world in the global economy are determined, above all, by its industrial and scientific and technical potential, the growth of which is taking place at a faster pace compared to contemporary capitalism. This trend may be traced even against the background of a lowering of global dynamics of economic development in the 1970s and 1980s. The combined national income of the socialist countries increased by an annual average of 5.3 percent between 1971 and 1985; it averaged 4.6 percent in CEMA members, 3.0 percent in developed capitalist countries and 4.7 percent in developing countries. The dynamizing of economic activities in the PRC has substantially influenced the quantitative features of the national economies of the socialist countries as a whole, starting with the end of the 1970s.

Compared with 1970, in 1985 the share of the socialist countries in world industry increased as follows: electric power, from 23 to 26 percent; petroleum extraction, from 18 to 28 percent; natural gas, from 22 to 41 percent; steel, from 30 to 38 percent; chemical fertilizers, from 33 to 43 percent; cement, from 30 to 38 percent; metal-cutting machine tools from 39 to 53 percent; wheel and caterpillar tractors, from 47 to 58 percent, etc. Since the end of the 1970s the increased share of world socialism in a number of varieties of raw materials and output of "old" industrial sectors, such as ferrous metallurgy, was a factor which largely determined the stagnation in

their production in developed capitalist countries. Nonetheless, the share of the socialist countries in the production of the most advanced and economical materials and in science-intensive output remains substantially lower than the indicators reached in basic industrial sectors.

Naturally, a certain share in world output does not in itself confirm, either directly or indirectly, the extent to which the socialist countries can influence universal processes; nor does it prove their dependence on the latter. In this case a great deal is determined by the qualitative condition of production forces and production relations in these countries and the extent to which they are part of the international division of labor. The reality is the following: in the past 10 to 15 years indicators of national economic efficiency and specific outlays of fuel, energy and materials per unit of output and participation in world trade of the socialist world have not only not improved but have even worsened compared with global indicators. In European CEMA countries the power intensiveness of a comparable unit of national income is, on an average, approximately 40 percent higher than in armaments EEC countries and metal consumption is between 60 and 70 percent higher. Public labor productivity in the former is more than 50 percent higher than in the latter. For the time being, the share of CEMA countries in world scientific personnel potential is higher than is their share in financial resources allocated for science, essentially due to a lag in material and technical support of scientific research and experimental design.

Although, to a certain extent, influenced by global economic processes, the economic development of the socialist countries obeys its own laws and encounters essentially different problems compared to those inherent in contemporary capitalism. Thanks to annual and medium-length national economic plans, the rhythm of development of such countries is more reliable and stable than that of the Western market-based economy. Most of them are spared a social calamity such as unemployment. The per capita income of their populations has increased several hundred percent in the course of building the new society and consumption has grown substantially. Real socialism is increasingly demonstrating its advantages as a labor, a collectivistic society which provides its members with broad social guarantees and strengthens in them the feeling of social confidence and justice. Today this powerful international system is blazing new paths in history.

Naturally, it would be simplistic to reduce the entire variety of specific realities in the socialist world to a few common denominators. Unquestionably, similarities in features and patterns exist. However, there also exist many differences in the levels of development of the individual countries, in their historical conditions, position in the global economy and approaches to the solution of economic and political problems.

The levels of economic development among the socialist countries continue to show substantial disparities. The correlation between the per capita national income of more developed (GDR, Czechoslovakia) and less developed (Korea, Vietnam) countries is approximately 5:1. The elimination of such disparities will demand tremendous efforts and a long period of time. A differentiation may be noted in the growth rates not only between these two groups of countries but also among the European members of CEMA.



Compared with other CEMA members, the best results in economic intensification have been achieved by the GDR. Between 1981 and 1986 it achieved a steady increase in the national income averaging about 4.4 percent. Significant progress was made in developing socialist agriculture and improving its productivity in Hungary, the GDR and Czechoslovakia, where annual grain harvests have averaged 40 or more quintals per hectare. The Hungarian agroindustrial complex has a major export potential. Czechoslovakia is virtually self-sufficient in basic food staples, needing no grain imports; the GDR and Poland have substantially reduced such imports. Meanwhile, agriculture in the USSR and several other CEMA countries is still not meeting many vital economic requirements.

A tangible slowdown in economic growth occurred in the majority of European socialist countries in the 1970s and beginning of 1980s, both under the influence of a number of objective changes in reproduction conditions as well as a result of their slowness in adapting their economic policy and economic management methods to such changes. These countries were unable to make a collective leap in technical progress and correspondingly to restructure their production system. The steps they have taken in recent years to strengthen discipline and thrift and to surmount a number of bottlenecks and accelerate the updating of their economy and intensify material incentives and perfect management enabled them to stop the decline and accelerate their pace of development. However, these are merely the initial steps leading to decisive economic intensification.

The 27th CPSU Congress was of essential significance in the formulation of a new economic strategy consistent with the challenge of the times. Its resolutions direct Soviet society toward accelerated socioeconomic development and achieving in the foreseeable future the highest world indicators in social labor productivity and scientific and technical progress. We must surmount adverse trends in economic development, make the economy more dynamic and provide opportunities for the manifestation of the initiative and creative energy of the people. The strategy of acceleration requires restructuring both in the technical base and in the system of socioeconomic relations. It is also based on the consideration and critical reinterpretation of its own and international experience in intensifying the dynamics of growth. Our restructuring is not only consistent with the internal needs of Soviet society but is also a substantial contribution to solving the vital problems of world socialism. The technical reconstruction of the economy and the reorganization of its structure could lead in the future to a significant increase in social labor productivity and the national income. Nonetheless, the experience not only of the USSR but of many other socialist countries cautions us that errors in structural policy are very costly to the national economy, for which reason upgrading the quality of governmental planning and the making of major investment decisions become a matter of prime importance.

The conversion to new technology presumes substantial capital investments. However, as a result of the slow and, above all, extensive past development, available funds for such investments are quite limited. Therefore, other growth factors are put into motion, above all those which do not require new major capital investments or additional manpower. For example, returns on existing investment resources may be increased by concentrating them above all

on the reconstruction and updating of existing production capacities instead of new construction, and on steps aimed at resource and energy conservation, rather than the increased extraction of raw materials and fuels, although the latter is also necessary. Naturally, all of this is closely related to the setting of new priorities in the state plans.

Unquestionably, the restructuring of the economic mechanism (subject to a radical reform in the USSR) is a decisive tool in the first stage of implementation of the strategy of acceleration, when the scarcity of resources is still being felt. Harnessing the creative energy and activeness of the people is ascribed exceptional importance. This means that the tremendous opportunities for growth inherent in man himself, his knowledge, skills, conscientiousness and interested attitude toward the work could be put on the service of this strategy.

It is hardly possible today to make a qualitative assessment of the increased dynamics in the development of the Soviet economy as a result of the application of a more flexible and more advanced management mechanism. It is even more difficult to determine the effect of factors related to the changed attitude of the people toward labor and the systematic implementation of the principles of socialist justice. We can assume, however, that this is an equally efficient lever of acceleration as are new equipment and technology. The result of this will be of major international significance.

As their 5-year plans indicate, the majority of CEMA members expect an insignificant increase in their pace of development for 1986-1990. During that period the expected average annual increase in the gross national income of all European CEMA members would be 3-4 percent, although some of them will be unable to reach those figures. The emphasis will be on restoring the balanced development of the economy and foreign relations, and improving the qualitative rather than quantitative parameters of this process. The plans call for expanding investment activities and gradually upgrading the share of accumulations in the national income of those countries in which it had lately dropped. In the future technical reconstruction, modernization and improved economic structure will have increasing results on upgrading the dynamics of growth of CEMA members.

In recent years China has been playing a rapidly increasing role in the global economy and in its socialist part. The PRC has the highest pace of development of the great powers. Between 1981 and 1985 its average annual growth of the national income was 9.8 percent; industrial output averaged 10.8 and agricultural production, 11.7 percent. There has been a dynamic expansion in its foreign economic relations. The source of such a fast upsurge is found in the profound positive changes which have taken place in the country's social life and the economic reform, which was initiated in the countryside and is gradually being extended to industry and the other economic areas. Naturally, the restructuring process in China has not been able to avoid socioeconomic costs and aggravations of some contradictions. In particular, unhealthy inflationary trends have appeared, the social differentiation of the population has intensified, there has been a lagging in the fuel and raw material base of industry and a balance of payments deficit. All of this has forced the PRC leadership to make corrections to its economic policy.

Naturally, that country's level of economic development remains very low. However, with its billion-strong population and substantial natural resources, China has a tremendous potential for growth. The hard lessons of the past enriched the experience of managing this huge country and helped to chart a right economic and social course. All of this reduces the likelihood of major economic errors in the future and allows to anticipate doubling and, possibly, tripling the volume of national income by the end of this century. China's economy will become increasingly more open: the PRC should become a major world exporter and importer of a wide variety of goods.

As we note the specific economic situation of individual socialist countries, we cannot also fail to see that many of them are facing the same or very similar problems in improving all forms of social life, the economic management mechanism above all. All of this confirms the existence of general trends and laws governing the development of contemporary socialism, laws which must be taken into consideration. Furthermore, we must remember that it is precisely the violation of general laws and requirements that created difficulties in the social and economic areas and even critical situations in some socialist countries.

V.I. Lenin never described the transition to socialism of different countries as an entirely identical standardized process. He said that all countries will eventually become socialist but each one in its own way, applying its own specific features and methods to the specific practice of socialist change. In Lenin's view, integral socialism is the result of international cooperation and of a number of attempts, each one of which will inevitably be one-sided and incomplete, but that it is precisely from their sum, from the combination of collective experience that the optimal model of the new society will arise (see "Poln. Sobr. Soch." [Complete Collected Works], vol 36, p 306). All of these are quite familiar truths. In practice, however, the study of the variety of ways and means of socialist change has still not assumed a suitable role. There should be neither a patronizing nor a suspicious attitude toward the experience of others. Practical experience and the strengthening of socialism in fact, i.e., above all the improved situation of the working class and all working people, will always be the supreme judge. The study of the individual features of development is important because differences and varieties in contemporary socialism are also influenced by differences in the national-state interests of the individual countries, which must be taken into consideration in politics. Strengthening the unity of the socialist countries, as the CPSU program emphasizes, requires paying the greatest possible attention to national-state interests and their profound understanding, as well as to the general interests and requirements of the development of the socialist world.

The need of the socialist countries for making joint use of the advantages of the internationalization of economic life, which yields substantial material and other benefits to every participant, is increasingly manifested with ever passing year. Under world socialist conditions, with a coordination of basic social objectives of the individual countries, this process could be implemented most consistently in accordance with the needs governing the development of contemporary technology and the characteristics of the present stage in production concentration and specialization. This is exemplified by



economic integration within CEMA. Its successes are contributing to the socioeconomic progress of CEMA members and their cohesion and unity, and are strengthening the positions of socialism.

The level of interaction and mutual complementing of national economies which has been reached (the value of exchanged commodities and services on the CEMA market accounts for about 20 percent of the overall national income of its member countries) is such that the future development of the individual members of CEMA is inseparable from the progress of integrated cooperation.

In recent years major landmarks in this area have included the resolutions of the Summit Economic Conference (1984) and the Comprehensive Program for Scientific and Technical Progress of CEMA Members Until the Year 2000, which was adopted toward the end of 1985. In connection with these documents large-scale programs and agreements for comprehensive cooperation in machine building, electronics, power industry and resource conservation are either being drafted or have been completed. As a result of the coordination of the plans for 1986-1990 the major problems of ensuring the CEMA members with fuel and raw materials, including on the basis of the joint efforts in building fuel-raw material projects, have been essentially resolved. About 400 Soviet organizations and more than 1,000 enterprises and organizations of other CEMA countries have been involved in the implementation of the comprehensive program for scientific and technical progress.

The experience acquired in integration cooperation enables us to bring to light new reserves for its intensification. The CEMA members would like significantly to upgrade its efficiency and role as a factor which accelerates scientific and technical and social progress, and to intensify its dynamics and national economic returns. This requires, above all, upgrading the quality, technical standards and competitiveness of many types of reciprocal procurements, increasing the offer of commodities in short supply on CEMA markets, and conversion from primarily trade relations to scientific and technical and industrial cooperation. In the 1970s and 1980s no increase was noted in the share of mutual trade consistent with global qualitative and technical standards, and the share of foodstuffs and consumer goods in it dropped. In the future, in addition to improving the commodity structure, we must increase the pace of mutual trade, so that such commodities may develop faster than in the past compared with internal economic growth. A great deal in the enhancement of the integration process depends on expanding Soviet export potential in areas which determine scientific and technical progress, for our country is the biggest supplier and customer of commodities within CEMA. Greater coordination and purposefulness in cooperation with the European CEMA members are required in order to enhance and improve the economic structures of Vietnam, Cuba and Mongolia, and to reduce disparities in their levels of development and in the growth of their export potential.

The solution of all such problems requires not only a better coordination of economic policy and national economic plans on the governmental level, the formulation of a long-term concept for the division of labor but also the involvement of direct producers and developers of new equipment in the process of decision making in the development of international industrial and scientific and technical cooperation and to facilitate the establishment of



direct contractual relations among them. Under the conditions of a fast progress in technology and the need for a flexible adaptation of the production process to it, the efficient and dynamic development of international specialization and production cooperation increasingly depend on the mechanism of direct relations. Such relations are becoming an efficient lever in expanding reciprocal trade.

After discussing the urgent problems of intensifying political and economic interaction among their countries at the November 1986 Moscow Working Meeting, the heads of the fraternal parties of CEMA members acknowledged the need to adopt a set of steps to intensify international cooperation and to apply its new and progressive forms.

In order to give a new impetus to socialist integration and, at the same time, to contribute to the enhancement of cooperation in other areas, the Soviet Union undertook the major restructuring in the management of its foreign economic activities. The steps stipulated in the CPSU Central Committee and USSR Council of Ministers decrees (August 1986) are an organic part of the basic reform of the entire economic mechanism. Their implementation will close the gap between industry and foreign trade and develop in Soviet enterprises cost accounting incentives for expanding efficient exports and increasing economic returns from imports.

Soviet associations and enterprises, which will establish direct contacts with their partners in CEMA countries, will be granted extensive rights to solve not only technical but also commercial problems of industrial and scientific and technical cooperation, including price setting. Economic and legal prerequisites are being established for the organization of joint enterprises on Soviet territory involving the participation of socialist countries and Western companies. Not only the Soviet Union but the other CEMA countries as well are taking steps for their national mechanisms in charge of organizing foreign economic activities eliminate bureaucratic obstructions on the way to close interaction among countries. It is to this effect that a restructuring is taking place in the international mechanisms of cooperation and functioning among CEMA agencies.

It is indicative that the course of comprehensive enhancement of economic integration within CEMA is combined with the efforts of the member countries to develop mutually profitable economic relations with the other socialist countries. Such relations are being particularly energetically developed with China, which is having a positive influence on the economies of all participants in such cooperation.

Any general feature of the economies of the socialist world inevitably omits some specific facts and aspects of the matter while underlining the main features which, despite many still unresolved difficulties, is that the positive restructuring process is gathering strength in the socialist countries leading to the intensification of economic life.

The development of socialism is indivisible from global processes which are under the strong influence of the capitalist world. The instability of the contemporary capitalist economy, its uneven development, the widening gap

between industrially developed and developing countries and the extended crisis of the latter, in addition to other factors, are adversely affecting the global economic and political situation.

The consequences of the arms race are particularly detrimental to the world economy. The point is not only that tremendous resources are taken out of economic circulation every year and expended in areas which are economically unproductive. This in itself limits opportunities for social and economic progress, not to mention the increased danger of a thermonuclear conflict, which could destroy human civilization. The arms race undermines the global economy also as a result of the existing international financial mechanisms. Essentially, one-half of the U.S. budget deficit is financed out of foreign funds. This process is stimulated by high interest rates on loans and state treasury notes and the inflated strength of the dollar. Although in 1986 such interest rates as did, in fact, the value of the dollar, declined, they have by no means reached their normal level. The United States began the year 1987 with a net foreign debt in excess of \$220 billion. By 1989 this amount may reach \$600 billion. The article "The 1920s and 1930s Could Come Back," by Professor Lester K. Turow, published in THE NEW YORK TIMES, notes that "since the richest nation in the world has never before been such a large world debtor, and since a debtor-country has never been the keeper of the world's reserve currency, no one can say how thin the financial ice on which we must skate is."

The assumption that the revival of the American economy and the import boom in the United States, favoring European and Japanese exports, will stimulate the economic upsurge in Western Europe and Japan was not justified. The results of 1985 and 1986 confirm increased difficulties. Investments remain slack. The positive trade and payments balances on Japan, the FRG and the countries of Northern Europe indicate a one-sided outflow of resources from these countries and a reduced opportunity of investing funds in their own fixed assets. The higher exchange rate of their currencies in terms of the dollar also weakens the incentive to develop export sectors. In Japan, for example, there has been a stagnation in shipbuilding, metallurgy and construction and is threatening the electronics industry. According to many Western European politicians and economists, the low pace of development and high unemployment in Western Europe are largely caused by the international economic situation and, in particular, the transfer of huge funds to the United States.

Should such financial mechanism remain functional over a long period of time, an explosion which would have difficult consequences for all countries in the world would be inevitable. Particularly dangerous under such circumstances would be the tremendous indebtedness of the developing countries. In order to meet their obligations, such countries must pull out of their difficult economic situation in which they found themselves under the influence of decline in the industrially developed Western countries, ensure a high pace of economic growth and increase the production of commodities for export, finished goods above all. This requires the simultaneous increase in the import of machines and equipment, spare parts and materials with which to maintain and develop their domestic industries. However, increased repayment of foreign debts forces them to reduce imports. Exports cannot be increased

to the necessary extent and the influx of resources from abroad has been replaced by a net outflow.

The indebtedness of Third World countries is a delayed-action mine threatening the global economy. As long as such countries remain economically underdeveloped and dependent, with limited export facilities and uneven relations with the Western industrial centers, it would be very difficult to disarm this mine. The solution of the problems of indebtedness of developing countries and of many other countries in the world, including socialist, is worsened as a result of protectionist measures. Protectionism has assumed a global scale and is being practiced in increasingly refined forms, including "voluntary" limitations of exports. The use of commercial sanctions and technological embargoes as means of applying political pressure on other countries is particularly inadmissible. By increasing their restrictions in trade, the United States and the Western European countries could lose their markets. Yet without expanding trade in all areas it would be difficult to conduct business activities.

The prospects for a revival of the global economy and for alleviating the gravity of its complex problems are related to increasing domestic consumption in the leading Western countries and to the capacity of the global market. However, a number of obstacles remain on this way and the lack of confidence in the future is restraining entrepreneurs from decisively increasing investment activities in Western Europe and Japan. The same is noted in the United States. Their governments are in no hurry to take stimulating steps. Increased demand on the world market is being restrained for a number of reasons we mentioned: the need to reduce deficits in the budget and balance of payments, which are forcing the United States to reduce its imports, restricted payment possibilities of developing and socialist countries, growing protectionism, etc. After an increase in 1984, the growth of world trade in volume slowed down and was under 4 percent in 1985 and 1986.

In order to improve the global economic situation a powerful impetus is needed: major resources must be released for the technical reconstruction of the old industrial sectors in Western countries, for accelerating the industrialization of developing countries and for fighting hunger, poverty and unemployment. This could be achieved by implementing the comprehensive program formulated by the Soviet Union of reducing and eliminating nuclear and other mass destruction weapons. However, the leading imperialist circles are continuing to rely on attaining superiority in the arms race.

It is unlikely that a direct impetus in reviving the global economy could come as a result of the drastic drop of petroleum prices in 1985 and 1986, although in the long term the reduced cost of energy resources should favorably affect the economic growth of petroleum importers. In the short term, however, declining petroleum prices are causing a great deal of difficulties related to adapting the economy to the new circumstances.

Unquestionably, the drop in petroleum prices, which entailed a drop in the prices of other power carriers, is a reflection of the new situation in the global economy: an absolute reduction in petroleum production throughout the world by 11 percent, compared with the maximal level reached in 1979, the



creation of huge strategic petroleum reserves, technical changes, contributing to energy conservation, the crisis of OPEC and the decline of its influence on the global petroleum market. All of this means that the drastic drop in the export income of petroleum producers and, consequently, their demand for imported commodities, is of a relatively long-term nature.

The new situation in the global economy could not fail to affect the payment possibilities of the socialist countries. Many of them suffered major foreign exchange losses from the lowered prices of petroleum, petroleum products and other energy carriers, and agricultural commodities. This led to a reduction in imports and worsened the situation with the repayment of foreign debts. The depreciation of the dollar resulted in a certain increase in their foreign indebtedness, for the percentage of non-dollar currencies in their debts is quite high, as is trade in such currencies.

The economic situation in the socialist world, particularly in the long run, could contribute to the enhancement of the global economy. But let us not overestimate its possibilities. East-West relations account for no more than 3-4 percent of world trade. That is why their influence on global economic processes is small. Nonetheless, the dependence of these relations on the state of affairs in the economy and foreign trade in the West, distinguished by their instability, is quite tangible. We must also bear in mind a certain asymmetry in the importance of such relations to the economic development of both sides. In recent years the developed capitalist countries have accounted for 26-30 percent of the foreign trade of the socialist countries. The share of commercial relations with the socialist world in the Western European countries is several hundred percent lower, although they cannot neglect such relations for economic as well as political considerations.

From the viewpoint of purely economic premises and interests, business relations between East and West contain substantial opportunities for both sides. Were the political climate to improve, an increased share of the West in the foreign trade of CEMA countries would not be excluded.

Although several CEMA members have been able somewhat to improve their foreign trade balance of payments with the West, reducing their indebtedness in hard currency, and many other problems of business interaction, remain unsolved. In particular, the commodity structure of trade must be improved. As in the past, more than 75 percent of CEMA exports to the West consist of fuel, raw material and food items while finished goods account for about 25 percent and, within them, machines and equipment, for no more than 7 percent.

In strengthening their collective scientific and technical potential, the CEMA members are not aspiring, as they have frequently said, to any isolation from other countries in trade, science and technology. It is entirely clear that trade and contacts in this and other areas are objectively inevitable. The CEMA members are concerned only with becoming invulnerable in vitally important areas of scientific and technical progress. The conversion of the economy to intensive development will broaden their export and import possibilities, particularly in relations with the West; it will change the structure of supply and demand. The CEMA members will aspire to increase the efficiency of their exports by increasing their purchases of machine systems



and technological lines for the reconstruction of their machine building, and their industrial and agricultural infrastructure and light and food industries, and the application of industrial technologies in farming.

The CEMA members are aware of the need to apply new forms of interaction. For example, substantial reciprocal advantages could be gained by organizing mixed companies involving Western capital. Hungary, Poland and Romania have some experience in this matter. The legal and financial and economic prerequisites for this are being created in our country as well. In a number of countries basic agreement on organizing such joint companies has already been reached.

The socialist world is an active supporter of improving global economic relations through the strict observance of the principles of equality, mutual benefit, respect for mutual interests and rejection of discrimination and the use of trade as means of political pressure.

Optimal solutions must be sought through joint efforts to control global economic life and to create favorable conditions for trade; there are urgent problems of restructuring global industry and trade, ensuring the rational utilization of raw materials and energy reserves and providing environmental protection. It would be useful to develop an efficient international monetary system and to legalize and normalize relations between CEMA and the EEC and take measures to strengthen mutual confidence in the economic area as well.

Business cooperation with the socialist countries and their active involvement in the consideration of the basic problems of international trade and finance could introduce an element of stability and greater strength in the system of foreign economic relations of Western countries, European in particular.

Bearing in mind the danger of a disruption of the global economy, which is increasingly facing the international community, the members of the socialist community are initiating specific steps aimed at arms control and reducing military arsenals; this would not only eliminate the threat of war but would also lift from mankind the tremendous burden of unproductive expenditures; it would make it possible to provide developing countries with efficient aid in surmounting their economic lag and would add to international trade major additional resources in commodities and services. The socialist countries are also calling for the formulation of steps to ensure the economic security of the countries through collective control over dangerous trends in the international economic development, the elimination of discriminatory restrictions, the rejection of economic pressure and blackmail, and the strict observance of the principles of equality and mutual benefit. Furthermore, in structuring their integration cooperation on the basis of systematic democracy and comradely cohesion, they are acquiring valuable experience in organizing international economic life on a planned crisis-free basis.

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#### AMERICAN 'POWER CENTER' OF CONTEMPORARY CAPITALISM

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[Article by Georgiy Yefimovich Skorov, deputy director, USA and Canada Institute, USSR Academy of Sciences, doctor of economic sciences, professor]

[Text] The United States is the main "power center" of the capitalist world and the leading imperialist country with the greatest industrial, scientific and military potential. In terms of its gross national product (GNP), which reflects the sum total of all goods and services produced (\$3,225 billion (average annual data for 1981-1985 in 1982 prices, computed on the basis of official exchange rates)), the United States is far ahead of any other highly developed capitalist country (Japan, \$1,190 billion; FRG \$675 billion; France, \$545 billion; Great Britain, \$493 billion; Italy, \$352 billion; and Canada, \$315 billion). U.S. expenditures on scientific research and experimental design (\$109.2 billion) (here and subsequently 1985 data unless otherwise specified) account for about one-half of all expenditures for such purposes in the capitalist world. In terms of electric power production (2,441 billion kw/h) the United States outproduces all the other members of the "big seven" capitalist countries (2,253 billion kw/h; in terms of the value of electronic equipment it produces (\$175.2 billion) it outstrips by 50 percent the combined output of Japan, the FRG, Great Britain, and France (\$114.6 billion). In terms of the number of scientists and engineers employed in NIOKR [Scientific Research and Experimental Design] (750,000, based on full employment), the number of Nobel Prize winners in the exact sciences and medicine (149 between 1961 and 1984 as compared to 151 for all other countries in the world), technical facilities of scientific laboratories and research centers, and the variety of forms of combining science with production or, in short, in terms of the quality of the innovation process, America is unequalled in the capitalist world. It accounts also for the lion's share of NATO military expenditures (\$267 of a total of \$469 billion). No single other capitalist country can be compared with the United States also in the amount of capital exported abroad (\$930 billion) and, consequently, in terms of the scale of imperialist exploitation of other countries within the capitalist global economic system.

Nonetheless, the position of the United States in the system of imperialist countries, including the triangle of "power centers"--United States-Western

Europe-Japan--has substantially changed, particularly in the past 15 years. American capitalism itself has become different. Although the American financial oligarchy is still claiming global hegemony, the "economic, financial, and technological superiority over its nearest competitors, which the United States had through the end of the 1960's," as emphasized in the CPSU Central Committee political report to the 27th Party Congress, "was put to a serious test. In some areas Western Europe and Japan have been able to squeeze out the American boss."

## I.

In recent years the United States has experienced two of the most severe economic crises of the postwar period (1973-1975 and 1980-1982), the defeat in Vietnam, the "Watergate scandal" and other serious upheavals. The ruling class in the leading country of capitalism was forced to acknowledge the existence of military parity between the United States and the USSR, which is one of the most important historical gains of European CEMA countries the power intensiveness of a comparable unit of national income is, on an average, approximately 40 percent higher than in armaments EEC countries and metal consumption is between 60 and 70 percent higher. Public labor productivity in the former is more than 50 percent higher than in the latter. For the time being, the share of CEMA countries in world scientific personnel potential is higher than is their share in financial resources allocated for science, essentially due to a lag in material and technical support of scientific research and experimental design.

Although, to a certain extent, influenced by global economic processes, the economic development of the socialist countries obeys its own laws and encounters essentially different problems compared to those inherent in contemporary capitalism. Thanks to annual and medium-length national economic plans, the rhythm of development of such countries is more reliable and stable than that of the Western market-based economy. Most of them are spared a social calamity such as unemployment. The per capita income of their populations has increased several hundred percent in the course of building the new society and consumption has grown substantially. Real socialism is increasingly demonstrating its advantages as a labor, a collectivistic society which provides its members with broad social guarantees and strengthens in them the feeling of social confidence and justice. Today this powerful international system is blazing new paths in history.

Naturally, it would be simplistic to reduce the entire variety of specific realities in the socialist world to a few common denominators. Unquestionably, similarities in features and patterns exist. However, there also exist many differences in the levels of development of the individual countries, in their historical conditions, position in the global economy and approaches to the solution of economic and political problems.

The levels of economic development among the socialist countries continue to show substantial disparities. The correlation between the per capita national income of more developed (GDR, Czechoslovakia) and less developed (Korea, Vietnam) countries is approximately 5:1. The elimination of such disparities will demand tremendous efforts and a long period of time. A differentiation



may be noted in the growth rates not only between these two groups of countries but also among the European members of CEMA.

Compared with other CEMA members, the best results in economic intensification have been achieved by the GDR. Between 1981 and 1986 it achieved a steady increase in the national income averaging about 4.4 percent. Significant progress was made in developing socialist agriculture and improving its productivity in Hungary, the GDR and Czechoslovakia, where annual grain harvests have averaged 40 or more quintals per hectare. The Hungarian agroindustrial complex has a major export potential. Czechoslovakia is virtually self-sufficient in basic food staples, needing no grain imports; the GDR and Poland have substantially reduced such imports. Meanwhile, agriculture in the USSR and several other CEMA countries is still not meeting many vital economic requirements.

A tangible slowdown in economic growth occurred in the majority of European socialist countries in the 1970s and beginning of 1980s, both under the influence of a number of objective changes in reproduction conditions as well as a result of their slowness in adapting their economic policy and economic management methods to such changes. These countries were unable to make a collective leap in technical progress and correspondingly to restructure their production system. The steps they have taken in recent years to strengthen discipline and thrift and to surmount a number of bottlenecks and accelerate the updating of their economy and intensify material incentives and perfect management enabled them to stop the decline and accelerate their pace of development. However, these are merely the initial steps leading to decisive economic intensification.

The 27th CPSU Congress was of essential significance in the formulation of a new economic strategy consistent with the challenge of the times. Its resolutions direct Soviet society toward accelerated socioeconomic development and achieving in the foreseeable future the highest world indicators in social labor productivity and scientific and technical progress. We must surmount adverse trends in economic development, make the economy more dynamic and provide opportunities for the manifestation of the initiative and creative energy of the people. The strategy of acceleration requires restructuring both in the technical base and in the system of socioeconomic relations. It is also based on the consideration and critical reinterpretation of its own and international experience in intensifying the dynamics of growth. Our restructuring is not only consistent with the internal needs of Soviet society but is also a substantial contribution to solving the vital problems of world socialism. The technical reconstruction of the economy and the reorganization of its structure could lead in the future to a significant increase in social labor productivity and the national income. Nonetheless, the experience not only of the USSR but of many other socialist countries cautions us that errors in structural policy are very costly to the national economy, for which reason upgrading the quality of governmental planning and the making of major investment decisions become a matter of prime importance.

The conversion to new technology presumes substantial capital investments. However, as a result of the slow and, above all, extensive past development, available funds for such investments are quite limited. Therefore, other growth factors are put into motion, above all those which do not require new



major capital investments or additional manpower. For example, returns on existing investment resources may be increased by concentrating them above all on the reconstruction and updating of existing production capacities instead of new construction, and on steps aimed at resource and energy conservation, rather than the increased extraction of raw materials and fuels, although the latter is also necessary. Naturally, all of this is closely related to the setting of new priorities in the state plans.

Unquestionably, the restructuring of the economic mechanism (subject to a radical reform in the USSR) is a decisive tool in the first stage of implementation of the strategy of acceleration, when the scarcity of resources is still being felt. Harnessing the creative energy and activeness of the people is ascribed exceptional importance. This means that the tremendous opportunities for growth inherent in man himself, his knowledge, skills, conscientiousness and interested attitude toward the work could be put on the service of this strategy.

It is hardly possible today to make a qualitative assessment of the increased dynamics in the development of the Soviet economy as a result of the application of a more flexible and more advanced management mechanism. It is even more difficult to determine the effect of factors related to the changed attitude of the people toward labor and the systematic implementation of the principles of socialist justice. We can assume, however, that this is an equally efficient lever of acceleration as are new equipment and technology. The result of this will be of major international significance.

As their 5-year plans indicate, the majority of CEMA members expect an insignificant increase in their pace of development for 1986-1990. During that period the expected average annual increase in the gross national income of all European CEMA members would be 3-4 percent, although some of them will be unable to reach those figures. The emphasis will be on restoring the balanced development of the economy and foreign relations, and improving the qualitative rather than quantitative parameters of this process. The plans call for expanding investment activities and gradually upgrading the share of accumulations in the national income of those countries in which it had lately dropped. In the future technical reconstruction, modernization and improved economic structure will have increasing results on upgrading the dynamics of growth of CEMA members.

In recent years China has been playing a rapidly increasing role in the global economy and in its socialist part. The PRC has the highest pace of development of the great powers. Between 1981 and 1985 its average annual growth of the national income was 9.8 percent; industrial output averaged 10.8 and agricultural production, 11.7 percent. There has been a dynamic expansion in its foreign economic relations. The source of such a fast upsurge is found in the profound positive changes which have taken place in the country's social life and the economic reform, which was initiated in the countryside and is gradually being extended to industry and the other economic areas. Naturally, the restructuring process in China has not been able to avoid socioeconomic costs and aggravations of some contradictions. In particular, unhealthy inflationary trends have appeared, the social differentiation of the population has intensified, there has been a lagging in the fuel and raw

material base of industry and a balance of payments deficit. All of this has forced the PRC leadership to make corrections to its economic policy. Naturally, that country's level of economic development remains very low. However, with its billion-strong population and substantial natural resources, China has a tremendous potential for growth. The hard lessons of the past enriched the experience of managing this huge country and helped to chart a right economic and social course. All of this reduces the likelihood of major economic errors in the future and allows to anticipate doubling and, possibly, tripling the volume of national income by the end of this century. China's economy will become increasingly more open: the PRC should become a major world exporter and importer of a wide variety of goods.

As we note the specific economic situation of individual socialist countries, we cannot also fail to see that many of them are facing the same or very similar problems in improving all forms of social life, the economic management mechanism above all. All of this confirms the existence of general trends and laws governing the development of contemporary socialism, laws which must be taken into consideration. Furthermore, we must remember that it is precisely the violation of general laws and requirements that created difficulties in the social and economic areas and even critical situations in some socialist countries.

V.I. Lenin never described the transition to socialism of different countries as an entirely identical standardized process. He said that all countries will eventually become socialist but each one in its own way, applying its own specific features and methods to the specific practice of socialist change. In Lenin's view, integral socialism is the result of international cooperation and of a number of attempts, each one of which will inevitably be one-sided and incomplete, but that it is precisely from their sum, from the combination of collective experience that the optimal model of the new society will arise (see "Poln. Sobr. Soch." [Complete Collected Works], vol 36, p 306). All of these are quite familiar truths. In practice, however, the study of the variety of ways and means of socialist change has still not assumed a suitable role. There should be neither a patronizing nor a suspicious attitude toward the experience of others. Practical experience and the strengthening of socialism in fact, i.e., above all the improved situation of the working class and all working people, will always be the supreme judge. The study of the individual features of development is important because differences and varieties in contemporary socialism are also influenced by differences in the national-state interests of the individual countries, which must be taken into consideration in politics. Strengthening the unity of the socialist countries, as the CPSU program emphasizes, requires paying the greatest possible attention to national-state interests and their profound understanding, as well as to the general interests and requirements of the development of the socialist world.

The need of the socialist countries for making joint use of the advantages of the internationalization of economic life, which yields substantial material and other benefits to every participant, is increasingly manifested with ever passing year. Under world socialist conditions, with a coordination of basic social objectives of the individual countries, this process could be implemented most consistently in accordance with the needs governing the

development of contemporary technology and the characteristics of the present stage in production concentration and specialization. This is exemplified by economic integration within CEMA. Its successes are contributing to the socioeconomic progress of CEMA members and their cohesion and unity, and are strengthening the positions of socialism.

The level of interaction and mutual complementing of national economies which has been reached (the value of exchanged commodities and services on the CEMA market accounts for about 20 percent of the overall national income of its member countries) is such that the future development of the individual members of CEMA is inseparable from the progress of integrated cooperation.

In recent years major landmarks in this area have included the resolutions of the Summit Economic Conference (1984) and the Comprehensive Program for Scientific and Technical Progress of CEMA Members Until the Year 2000, which was adopted toward the end of 1985. In connection with these documents large-scale programs and agreements for comprehensive cooperation in machine building, electronics, power industry and resource conservation are either being drafted or have been completed. As a result of the coordination of the plans for 1986-1990 the major problems of ensuring the CEMA members with fuel and raw materials, including on the basis of the joint efforts in building fuel-raw material projects, have been essentially resolved. About 400 Soviet organizations and more than 1,000 enterprises and organizations of other CEMA countries have been involved in the implementation of the comprehensive program for scientific and technical progress.

The experience acquired in integration cooperation enables us to bring to light new reserves for its intensification. The CEMA members would like significantly to upgrade its efficiency and role as a factor which accelerates scientific and technical and social progress, and to intensify its dynamics and national economic returns. This requires, above all, upgrading the quality, technical standards and competitiveness of many types of reciprocal procurements, increasing the offer of commodities in short supply on CEMA markets, and conversion from primarily trade relations to scientific and technical and industrial cooperation. In the 1970s and 1980s no increase was noted in the share of mutual trade consistent with global qualitative and technical standards, and the share of foodstuffs and consumer goods in it dropped. In the future, in addition to improving the commodity structure, we must increase the pace of mutual trade, so that such commodities may develop faster than in the past compared with internal economic growth. A great deal in the enhancement of the integration process depends on expanding Soviet export potential in areas which determine scientific and technical progress, for our country is the biggest supplier and customer of commodities within CEMA. Greater coordination and purposefulness in cooperation with the European CEMA members are required in order to enhance and improve the economic structures of Vietnam, Cuba and Mongolia, and to reduce disparities in their levels of development and in the growth of their export potential.

The solution of all such problems requires not only a better coordination of economic policy and national economic plans on the governmental level, the formulation of a long-term concept for the division of labor but also the involvement of direct producers and developers of new equipment in the process



of decision making in the development of international industrial and scientific and technical cooperation and to facilitate the establishment of direct contractual relations among them. Under the conditions of a fast progress in technology and the need for a flexible adaptation of the production process to it, the efficient and dynamic development of international specialization and production cooperation increasingly depend on the mechanism of direct relations. Such relations are becoming an efficient lever in expanding reciprocal trade.

After discussing the urgent problems of intensifying political and economic interaction among their countries at the November 1986 Moscow Working Meeting, the heads of the fraternal parties of CEMA members acknowledged the need to adopt a set of steps to intensify international cooperation and to apply its new and progressive forms.

In order to give a new impetus to socialist integration and, at the same time, to contribute to the enhancement of cooperation in other areas, the Soviet Union undertook the major restructuring in the management of its foreign economic activities. The steps stipulated in the CPSU Central Committee and USSR Council of Ministers decrees (August 1986) are an organic part of the basic reform of the entire economic mechanism. Their implementation will close the gap between industry and foreign trade and develop in Soviet enterprises cost accounting incentives for expanding efficient exports and increasing economic returns from imports.

Soviet associations and enterprises, which will establish direct contacts with their partners in CEMA countries, will be granted extensive rights to solve not only technical but also commercial problems of industrial and scientific and technical cooperation, including price setting. Economic and legal prerequisites are being established for the organization of joint enterprises on Soviet territory involving the participation of socialist countries and Western companies. Not only the Soviet Union but the other CEMA countries as well are taking steps for their national mechanisms in charge of organizing foreign economic activities eliminate bureaucratic obstructions on the way to close interaction among countries. It is to this effect that a restructuring is taking place in the international mechanisms of cooperation and functioning among CEMA agencies.

It is indicative that the course of comprehensive enhancement of economic integration within CEMA is combined with the efforts of the member countries to develop mutually profitable economic relations with the other socialist countries. Such relations are being particularly energetically developed with China, which is having a positive influence on the economies of all participants in such cooperation.

Any general feature of the economies of the socialist world inevitably omits some specific facts and aspects of the matter while underlining the main features which, despite many still unresolved difficulties, is that the positive restructuring process is gathering strength in the socialist countries leading to the intensification of economic life.

The development of socialism is indivisible from global processes which are



under the strong influence of the capitalist world. The instability of the contemporary capitalist economy, its uneven development, the widening gap between industrially developed and developing countries and the extended crisis of the latter, in addition to other factors, are adversely affecting the global economic and political situation.

The consequences of the arms race are particularly detrimental to the world economy. The point is not only that tremendous resources are taken out of economic circulation every year and expended in areas which are economically unproductive. This in itself limits opportunities for social and economic progress, not to mention the increased danger of a thermonuclear conflict, which could destroy human civilization. The arms race undermines the global economy also as a result of the existing international financial mechanisms. Essentially, one-half of the U.S. budget deficit is financed out of foreign funds. This process is stimulated by high interest rates on loans and state treasury notes and the inflated strength of the dollar. Although in 1986 such interest rates as did, in fact, the value of the dollar, declined, they have by no means reached their normal level. The United States began the year 1987 with a net foreign debt in excess of \$220 billion. By 1989 this amount may reach \$600 billion. The article "The 1920s and 1930s Could Come Back," by Professor Lester K. Turow, published in THE NEW YORK TIMES, notes that "since the richest nation in the world has never before been such a large world debtor, and since a debtor-country has never been the keeper of the world's reserve currency, no one can say how thin the financial ice on which we must skate is."

The assumption that the revival of the American economy and the import boom in the United States, favoring European and Japanese exports, will stimulate the economic upsurge in Western Europe and Japan was not justified. The results of 1985 and 1986 confirm increased difficulties. Investments remain slack. The positive trade and payments balances on Japan, the FRG and the countries of Northern Europe indicate a one-sided outflow of resources from these countries and a reduced opportunity of investing funds in their own fixed assets. The higher exchange rate of their currencies in terms of the dollar also weakens the incentive to develop export sectors. In Japan, for example, there has been a stagnation in shipbuilding, metallurgy and construction and is threatening the electronics industry. According to many Western European politicians and economists, the low pace of development and high unemployment in Western Europe are largely caused by the international economic situation and, in particular, the transfer of huge funds to the United States.

Should such financial mechanism remain functional over a long period of time, an explosion which would have difficult consequences for all countries in the world would be inevitable. Particularly dangerous under such circumstances would be the tremendous indebtedness of the developing countries. In order to meet their obligations, such countries must pull out of their difficult economic situation in which they found themselves under the influence of decline in the industrially developed Western countries, ensure a high pace of economic growth and increase the production of commodities for export, finished goods above all. This requires the simultaneous increase in the import of machines and equipment, spare parts and materials with which to maintain and develop their domestic industries. However, increased repayment

of foreign debts forces them to reduce imports. Exports cannot be increased to the necessary extent and the influx of resources from abroad has been replaced by a net outflow.

The indebtedness of Third World countries is a delayed-action mine threatening the global economy. As long as such countries remain economically underdeveloped and dependent, with limited export facilities and uneven relations with the Western industrial centers, it would be very difficult to disarm this mine. The solution of the problems of indebtedness of developing countries and of many other countries in the world, including socialist, is worsened as a result of protectionist measures. Protectionism has assumed a global scale and is being practiced in increasingly refined forms, including "voluntary" limitations of exports. The use of commercial sanctions and technological embargoes as means of applying political pressure on other countries is particularly inadmissible. By increasing their restrictions in trade, the United States and the Western European countries could lose their markets. Yet without expanding trade in all areas it would be difficult to conduct business activities.

The prospects for a revival of the global economy and for alleviating the gravity of its complex problems are related to increasing domestic consumption in the leading Western countries and to the capacity of the global market. However, a number of obstacles remain on this way and the lack of confidence in the future is restraining entrepreneurs from decisively increasing investment activities in Western Europe and Japan. The same is noted in the United States. Their governments are in no hurry to take stimulating steps. Increased demand on the world market is being restrained for a number of reasons we mentioned: the need to reduce deficits in the budget and balance of payments, which are forcing the United States to reduce its imports, restricted payment possibilities of developing and socialist countries, growing protectionism, etc. After an increase in 1984, the growth of world trade in volume slowed down and was under 4 percent in 1985 and 1986.

In order to improve the global economic situation a powerful impetus is needed: major resources must be released for the technical reconstruction of the old industrial sectors in Western countries, for accelerating the industrialization of developing countries and for fighting hunger, poverty and unemployment. This could be achieved by implementing the comprehensive program formulated by the Soviet Union of reducing and eliminating nuclear and other mass destruction weapons. However, the leading imperialist circles are continuing to rely on attaining superiority in the arms race.

It is unlikely that a direct impetus in reviving the global economy could come as a result of the drastic drop of petroleum prices in 1985 and 1986, although in the long term the reduced cost of energy resources should favorably affect the economic growth of petroleum importers. In the short term, however, declining petroleum prices are causing a great deal of difficulties related to adapting the economy to the new circumstances.

Unquestionably, the drop in petroleum prices, which entailed a drop in the prices of other power carriers, is a reflection of the new situation in the global economy: an absolute reduction in petroleum production throughout the

world by 11 percent, compared with the maximal level reached in 1979, the creation of huge strategic petroleum reserves, technical changes, contributing to energy conservation, the crisis of OPEC and the decline of its influence on the global petroleum market. All of this means that the drastic drop in the export income of petroleum producers and, consequently, their demand for imported commodities, is of a relatively long-term nature.

The new situation in the global economy could not fail to affect the payment possibilities of the socialist countries. Many of them suffered major foreign exchange losses from the lowered prices of petroleum, petroleum products and other energy carriers, and agricultural commodities. This led to a reduction in imports and worsened the situation with the repayment of foreign debts. The depreciation of the dollar resulted in a certain increase in their foreign indebtedness, for the percentage of non-dollar currencies in their debts is quite high, as is trade in such currencies.

The economic situation in the socialist world, particularly in the long run, could contribute to the enhancement of the global economy. But let us not overestimate its possibilities. East-West relations account for no more than 3-4 percent of world trade. That is why their influence on global economic processes is small. Nonetheless, the dependence of these relations on the state of affairs in the economy and foreign trade in the West, distinguished by their instability, is quite tangible. We must also bear in mind a certain asymmetry in the importance of such relations to the economic development of both sides. In recent years the developed capitalist countries have accounted for 26-30 percent of the foreign trade of the socialist countries. The share of commercial relations with the socialist world in the Western European countries is several hundred percent lower, although they cannot neglect such relations for economic as well as political considerations.

From the viewpoint of purely economic premises and interests, business relations between East and West contain substantial opportunities for both sides. Were the political climate to improve, an increased share of the West in the foreign trade of CEMA countries would not be excluded.

Although several CEMA members have been able somewhat to improve their foreign trade balance of payments with the West, reducing their indebtedness in hard currency, and many other problems of business interaction, remain unsolved. In particular, the commodity structure of trade must be improved. As in the past, more than 75 percent of CEMA exports to the West consist of fuel, raw material and food items while finished goods account for about 25 percent and, within them, machines and equipment, for no more than 7 percent.

In strengthening their collective scientific and technical potential, the CEMA members are not aspiring, as they have frequently said, to any isolation from other countries in trade, science and technology. It is entirely clear that trade and contacts in this and other areas are objectively inevitable. The CEMA members are concerned only with becoming invulnerable in vitally important areas of scientific and technical progress. The conversion of the economy to intensive development will broaden their export and import possibilities, particularly in relations with the West; it will change the structure of supply and demand. The CEMA members will aspire to increase the



efficiency of their exports by increasing their purchases of machine systems and technological lines for the reconstruction of their machine building, and their industrial and agricultural infrastructure and light and food industries, and the application of industrial technologies in farming.

The CEMA members are aware of the need to apply new forms of interaction. For example, substantial reciprocal advantages could be gained by organizing mixed companies involving Western capital. Hungary, Poland and Romania have some experience in this matter. The legal and financial and economic prerequisites for this are being created in our country as well. In a number of countries basic agreement on organizing such joint companies has already been reached.

The socialist world is an active supporter of improving global economic relations through the strict observance of the principles of equality, mutual benefit, respect for mutual interests and rejection of discrimination and the use of trade as means of political pressure.

Optimal solutions must be sought through joint efforts to control global economic life and to create favorable conditions for trade; there are urgent problems of restructuring global industry and trade, ensuring the rational utilization of raw materials and energy reserves and providing environmental protection. It would be useful to develop an efficient international monetary system and to legalize and normalize relations between CEMA and the EEC and take measures to strengthen mutual confidence in the economic area as well.

Business cooperation with the socialist countries and their active involvement in the consideration of the basic problems of international trade and finance could introduce an element of stability and greater strength in the system of foreign economic relations of Western countries, European in particular.

Bearing in mind the danger of a disruption of the global economy, which is increasingly facing the international community, the members of the socialist community are initiating specific steps aimed at arms control and reducing military arsenals; this would not only eliminate the threat of war but would also lift from mankind the tremendous burden of unproductive expenditures; it would make it possible to provide developing countries with efficient aid in surmounting their economic lag and would add to international trade major additional resources in commodities and services. The socialist countries are also calling for the formulation of steps to ensure the economic security of the countries through collective control over dangerous trends in the international economic development, the elimination of discriminatory restrictions, the rejection of economic pressure and blackmail, and the strict observance of the principles of equality and mutual benefit. Furthermore, in structuring their integration cooperation on the basis of systematic democracy and comradely cohesion, they are acquiring valuable experience in organizing international economic life on a planned crisis-free basis.

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#### FUNDAMENTAL WORK ON MARXIST-LENINIST HISTORY

Moscow KOMMUNIST in Russian No 8, May 87 (signed to press 12 May 87) pp 124-128

[Review by B. Bessonov, doctor of philosophical sciences, of the book "Istoriya Marksizma-Leninizma" [History of Marxism-Leninism]. Establishment, development and dissemination of Marxism and its establishment within the labor movement from the 1840s to 1871. CPSU Central Committee Institute of Marxism-Leninism. Politizdat, Moscow, 1986, 734 pp]

[Text] Unable to meet the historical challenge of Marxism-Leninism, bourgeois and revisionist ideologues are mounting fierce attacks against it, misrepresenting its history and trying to separate and distort the structural components of Marxist-Leninist theory--philosophy, political economy and scientific communism. They pit against each other the views of the founders of the revolutionary doctrine of the working class, claim a "divergence" within Marxism and the existence of an essential difference between its two "lines:" the line followed by "K. Marx the humanist" and that of "F. Engels, the scientist." They try to separate Leninism from Marxist doctrine, presenting it as a strictly "Russian" doctrine or a doctrine suitable only for "backward countries."

That is why one of the most important topical tasks is to provide a scientific, a truly objective interpretation of Marxist-Leninist theory in its entirety, in the unity of all structural components, organically related to the requirements of social development, the practice of the revolutionary struggle and the international communist and labor movements.

The publication of a basic work--a multiple-volume history of Marxism-Leninism, undertaken by the CPSU Central Committee Institute of Marxism-Leninism--is of major importance in solving this problem. The authors set themselves the task of putting together the achievements of Soviet and progressive foreign historiography in the field of Marxist-Leninist history, which had accumulated in the course of decades. Such achievements were combined not in the sense of mechanical addition of results of studies but as a summation and unification within a creative synthesis and their interpretation on the basis of Marxist-Leninist methodology.

Politizdat has already published the first volume of "Istoriya Marksizma-Leninizma." In addition to scientific associates of the Institute of Marxism-Leninism, its authors include specialists from the CPSU Central Committee Academy of Social Sciences, and from a number of USSR Academy of Sciences institutes working in the humanities, and from Moscow and Leningrad universities. This volume deals with the processes which led to the establishment, development and dissemination of Marxism until 1871.

## I.

Let us immediately point out that, in our view, this work, which is the result of many years of profound analytical and painstaking efforts is, as a whole, unconditionally a noteworthy success of the authors. What is the nature of this success, as seen by this reviewer? Above all, it is found in the convincing presentation of the scientific, creative and critical nature of Marxist doctrine. It legitimately stems from the very fact that Marxism is strictly derived from the highest achievements of science in the natural and social disciplines.

Nonetheless, the Marxist outlook by no means developed as the simple sum of discoveries and knowledge. Nor was it simply a system which streamlined them. The appearance of Marxism marked a revolutionary turn in the history of social thinking. This conclusion is extensively substantiated in the book.

At the same time, the theoretical conclusions reached by Marx and Engels were the scientific expression of the real relations within the class struggle being waged in society. It is precisely the clear class-oriented position and the critical reinterpretation of the greatest accomplishments of the spiritual culture of mankind and the systematic summation of facts and processes of social life in the age of capitalism, as is consistently indicated in the work under review, that allowed the founders of Marxism to create a scientific-revolutionary ideology of the working class, manifested "in the totality of contemporary materialism and contemporary scientific socialism, as a theory and program of the labor movement in all civilized countries on earth" (V.I. Lenin, "Poln. Sobr. Soch" [Complete Collected Works], vol 26, pp 50-51).

Therefore, the creativity of Marxist theory stems from the very essence of Marxism. Clearly incompatible with Marxism are both dogmatic ossification and a lowering of its critical spirit as well as revisionist pseudoinnovation—any kind of deviation from the scientific dialectical-materialistic methodology and the basic dialectical-materialistic principles of social knowledge.

The 27th CPSU Congress was an outstanding example of the development of the creative nature of Marxist-Leninist theory. Based on the firm foundations of the theory and methodology created by Marx, Engels and Lenin, and the summed up experience in building socialism, the 27th CPSU Congress provided an innovative analysis of the objective processes taking place in the life of Soviet society and in the rest of the world, daringly rejecting the old and obsolete approaches to the solution of economic, social, and ideological problems, and comprehensively substantiating a course toward the fastest possible reaching of a qualitatively new status of Soviet society and its advance toward communism.

## II.

The second aspect which we would like to note in connection with this work is that its authors have been able clearly to prove, with the help of extensive factual data, that Marx and Engels developed their theory as inseparably linked with and mutually dependent on its components. It is precisely this internal, this organic unity of all aspects of the theory of Marx and Engels that confirms its true integrity, characteristic of all its concepts, adequately reflecting objective reality in both nature and society. Actually, this integrity proceeds from the single "supertask" which was set in the course of the development of Marxist theory: to provide a scientific substantiation for communism as a natural-historical stage in the development of human civilization and to identify the paths leading to it.

Naturally, in any period or stage in the development of the revolutionary movement, priority may be given to a specific aspect of Marxist theory. In any case, as accurately noted by the authors, the founders of scientific communism approached their study of the most complex problems of social progress invariably on a comprehensive basis: by taking into consideration the interconnection and interaction among the different aspects of social life, in particular those of production forces and production relations, base and superstructure, economics and politics, and ideology and material living conditions of the society. This comprehensive approach to the problem allowed Marx, in "Das Kapital," alongside problems of political economy, to present and develop in a concentrated manner profound philosophical ideas and the main problems of the theory of scientific communism.

Unfortunately, it is precisely such a comprehensive approach that we, Soviet social scientists, frequently lacked and are still lacking in the study of the present condition in Soviet society. In turn, the underestimating of the close interaction among all areas of social life--economics, politics and ideology--inevitably created an alienation from life and the real processes of social practice and led us to scholastic theorizing, which radically clashes with the spirit of Marxism and the Marxist understanding of the role of scientific theory as a manual for action. Actually, how can we substantiate, for example, the need for change in the organizational forms of management of contemporary socialist production and apply new approaches to management without analyzing the nature and structure of contemporary production forces and without understanding and evaluating the imminent changes in production relations? It is equally impossible to develop new ways and means of management of public production outside of the study of problems of political development, ideological work, and ways of enhancing the human factor.

As the party of scientific knowledge and action, the CPSU firmly rejects such approaches. Guided by Marxist methodology, the April 1985 CPSU Central Committee Plenum and the 27th CPSU Congress most clearly emphasized that under contemporary conditions, in order to perfect our society priority should be given to the study of the dynamics of production forces and production relations. The task is to support, consciously and purposefully, the balanced development of production relations and production forces, promptly identify and solve nonantagonistic contradictions appearing between them, and to strengthen the stimulating role of production relations in implementing the



objectives of scientific and technical progress. Naturally, all of this must be combined with perfecting the organizational and management structure of socialist society, and developing Soviet democracy and the socialist self-government by the people. It was precisely on these important aspects that the January 1987 CPSU Central Committee Plenum focused its attention.

### III.

The next aspect which should be noted in analyzing this study of the history of Marxism-Leninism is its depiction of the complex process of conversion of socialism from utopia into science. The abstract dreams of human happiness and utopian illusions of the humanists of the past, with their contemplative and passive attitude, were countered by Marx and Engels with real and efficient humanism, based on scientific social forecasts for long-range social development and the experience of the revolutionary struggle waged by the working class and all working people. The conversion of socialism from utopia into science (accurately and factually described in this work) was made possible thanks to Marx's two great discoveries: a materialistic view on history and the theory of added value, which exposed the secret of capitalist exploitation. This was the base for the law of the proletariat's revolutionary class struggle for the destruction of the bourgeois system.

It can be said that the consistent and detailed description of Marx's creative laboratory and his tremendous amount of research in the strictly scientific substantiation of the theory of communism and the universal-historical mission of the working class is the pivot of the entire volume and the object of the greatest attention of the authors.

As we know, all the efforts made by the ideological opponents of Marxism and by bourgeois and petit bourgeois ideologues, both during the life of Marx and Engels, and after their death, aimed at weakening the substantiation of scientific communism and the desire to refute it, invariably crashed against the inflexible scientific logic, the mountain of strict proofs which were the base of Marx's concepts concerning the natural-historical nature of the inevitable advance of mankind toward communism. To this day, the aspiration of bourgeois theoreticians to replace the strictly scientific concept of communism with concepts of a "technotronic," "post-industrial," "information" and other societies inevitably ends in failure.

Although objectively acknowledging the legitimate nature of the historical process, nonetheless Marx and Engels firmly excluded, as the work emphasizes, any fatalistic interpretation of the laws of social development. They rejected concepts of the "automatic collapse" of capitalism, which would not disappear by itself but would "capsize" as a result of the purposeful and joint efforts of the proletariat and its allies as its internal objective contradictions matured and became aggravated.

Since the turn of events largely depends on the revolutionary energy of the masses, today as well the most important task is maximally to enhance this energy, to motivate the working class and the toiling masses to take the initiative in making the necessary changes and preventing counterrevolutionary classes from using force and obstructing historical progress.



Having learned the laws governing the functioning of capitalist society, Marx and Engels proved that it was precisely the proletariat, the most exploited and oppressed class, that is the social force called upon to overthrow capitalism and make a socialist revolution. The immortal contribution of the founders of Marxism to mankind is their substantiation of this historical mission of the working class, convincingly confirmed by modern history which began with the Great October Revolution. Today the international working class is confidently heading the front not only of anti-imperialist struggle but also of the struggle waged by peace-loving mankind for the prevention of thermonuclear catastrophe. This has become a new organic part of its universal historical mission. In developing the question of the historical purpose of the working class and the strategy and tactics of its struggle, Marx and Engels particularly emphasized that the proletariat cannot fulfill it without having its own political party--a party of communists. The unquestionable merit of the first volume of "Istoriya Marksizma-Leninizma" is the fact that this key problem is discussed at length with suitable and, in some cases, less well-known factual data.

#### IV.

The next typical feature which is organically, internally inherent in the entire history of the establishment and development of Marxism is the inseparable link between Marxist theory and revolutionary practice. In our view, the authors have convincingly confirmed this link and, with the help of substantial factual data, have proved that Marxism has passed the harshest test, in the crucible of revolutionary battles. The 1848-1849 revolutions were the first historical test for Marxism as a scientific outlook of the working class and a trend in the labor movement. As the authors justifiably emphasize, Marxism not only proved in the flames of these revolutions the indisputability of its methodological and theoretical principles but also its ability to serve as an efficient manual for practical revolutionary action.

The founding and leadership of the First International by Marx and Engels was a strong proof of the inseparable link between Marxist theory and the practice of the revolutionary struggle of the proletariat. We read with unabated interest the chapters on the activities of the founders of scientific communism and their gigantic efforts to organize the International Association of Workers. For the first time, on an international scale, the International embodied the principles of proletarian internationalism, as the authors stress. It was able to surmount the national and organizational divisions within the labor movement and to take an exceptionally important step in uniting the progressive detachments of the proletariat as an international class force. Its creation initiated the process of combining scientific proletarian ideology with the mass labor movement on a global scale.

The study of the establishment of Marxism within the labor movement and its transformation into an integral theoretical system, which was strictly tested through the practices of the class struggle waged by the proletariat, would have been incomplete without the study of the history of the Paris Commune as the first experience in proletarian dictatorship. That is precisely why this collective work ends with a chapter saturated with interesting theoretical and historical information about the workers of Paris who, as Marx said, stormed

the sky. In turn, on the basis of the interpretation of the experience of the Paris Commune, Marx and Engels made a major contribution to the theory of the dictatorship of the proletariat. They saw in the Commune the prototype of the state of a new type. Real socialism fully confirmed the conclusions which they drew at that time. As socialism strengthened in our country and in many other socialist countries, the dictatorship of the proletariat fulfilled its function and the proletarian state became a state of the whole people.

## V.

What else can we say about this work by the authors of the first volume of "Istoriya Marksizma-Leninizma," and in formulating wishes for the future? Above all, to avoid a long interval between the writing and publication of subsequent volumes. Today this is a vital need, a most important task. As the preface to the first volume indicates, many "works" by bourgeois authors and by all kinds of revisionists (L. Kolakowski, P. Vranitski and others) have already become widespread in the West. They distort the history of Marxism-Leninism and thus try ideologically to "neutralize" Marxism and to reject Leninism as the Marxism of our age. A principled, a scientific answer and a prompt exposure of the falsifiers is the most important task of Marxist scientists. Let us openly say that in this area we have fallen inadmissibly behind. This must be particularly emphasized, for in our view the first volume as well does not provide to a sufficient extent a critique of such distortions of Marxist history, which have become so popular in the West. Such criticism frequently consists of footnotes and very brief remarks. The next aspect which, we believe, should also be taken into consideration, is the following: in the first volume the historical approach occasionally prevails over the logical approach. The history of particularly emphasized, for in our view the first volume as well does not provide to a sufficient extent a critique of such distortions of Marxist history, which have become so popular in the West.

In any case, the logic of the shaping and development of the most important aspects of Marxism-Leninism, such as the problems of man, humanism, social justice, democracy, and the dialectics of universal and class values and objectives, which have now assumed priority in the ideological struggle between the capitalist and socialist worlds, are presented very insufficiently. In our view, the dialectics of the subjective and the objective in practical work, the correlation between commodity fetishism and alienation, and the connection between democracy and dictatorship by the proletariat are by no means considered in full. In subsequent volumes greater attention should be paid also to the development of the Marxist theory of the communist system, its basic features and the party as the vanguard of the working class in the new historical conditions.

The integrative approach to the study of the process of shaping the history of Marxism is not always sustained in the work. In particular, the sections on "Economic-Philosophical Manuscripts of 1844" and "Das Kapital," analyze the structural components of Marxism in their individual aspects: economic, followed by philosophical views and, finally, problems of scientific communism. Although integration is unquestionably difficult it must be

consistently applied in studies of the problem of the founding, establishment and development of Marxism as a unified doctrine.

The section "Development of the Foundations of Marxist Military Theory" is misnamed. Naturally, Marx and Engels studied military affairs, identified the nature of many military conflicts and frequently separated aggressive and dynastic from revolutionary and liberation wars, viewing the latter as part of the struggle waged by the oppressed and colonial peoples for independence. It is also unquestionable that the founders of scientific communism asked of the working people to be able to defend their gains by all means at their disposal. However, as they repeatedly emphasized, the ideal of Marxism, of the working class, is peace and disarmament. This should have been reflected in the title of this section which, obviously, should have been named either Marxist Anti-War Doctrine or the Marxist Concept of War and Peace, or something else. Incidentally, the authors are virtually silent on this most important topic although today, when the threat of thermonuclear catastrophe is hanging over the world, bringing to light the shaping, development and nature of the Marxist-Leninist strategy of peace is more topical than ever.

The following important feature must be also taken into consideration: Marxism-Leninism is an international theory which took shape and developed on the international interpretation of the experience from the struggle waged by the revolutionary labor movement. Many foreign Marxists are fruitfully engaged in the study of the history of our doctrine. It would be quite useful, whenever necessary, to involve foreign scientists in work on and publication of subsequent volumes of this work, alongside noted Soviet specialists. Furthermore, such a most complex work should be based of extensive scientific debates involving Soviet and foreign researchers. Unquestionably, this will ensure the more profound, the more comprehensive work on fundamental concepts included in the first fundamental work on the history of Marxism-Leninism in our scientific literature.

The referential system is unsatisfactory. There is no adequate bibliography and item index. The main index is extremely brief and provides no information on the people mentioned in the book. This is an important feature in a fundamental work.

A work such as "Istoriya Marksizma-Leninizma" must be impeccable in all respects. In mentioning the errors and omissions, we are thinking above all of the subsequent volumes and the desirability of the authors to take into consideration any advice they find acceptable and just.

As a whole, we can say most confidently that the first volume of "Istoriya Marksizma-Leninizma," prepared by Soviet Marxist scientists, will assume a firm place in our spiritual arsenal.

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#### CHRONICLE. MEETINGS WITH THE EDITORS

Moscow KOMMUNIST in Russian No 8, May 87 (signed to press 12 May 87) p 128

[Text] The annual prize of the journal KOMMUNIST on the occasion of Press Day, was awarded by the presidium of the USSR Board of the Union of Journalists, on the presentation of KOMMUNIST, to the journal MIPOVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA for the meaningful materials it published in 1986 explaining the theoretical conclusions and ideas of the 27th CPSU Congress on the conceptual foundations of the peaceful Soviet foreign policy, and the humanistic objectives substantiated by the congress for the comprehensive system of international security, problems of asserting the new style of political thinking in the world arena, ways of efficiently solving global problems of mankind, the new economic and sociopolitical phenomena characterizing the intensification of the general crisis of capitalism and the aggravation of its contradictions.

I.T. Frolov has been relieved of his duties as editor in chief of the journal KOMMUNIST in connection with his transfer to work with the CPSU Central Committee.

The editors met with a group of leading members of the Czechoslovak mass information media, who are visiting Moscow on the invitation of the CPSU Central Committee Academy of Social Sciences, to study the practical experience of the Soviet press, radio and television in the implementation of the tasks formulated at the January 1987 CPSU Central Committee Plenum.

The KOMMUNIST representatives described to the guests from Czechoslovakia the tasks of the journal's collective in connection with the restructuring of ideological work, the implementation of the CPSU Central Committee decree "On the Journal KOMMUNIST," and the editors' achievements and problems.

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